

FINANCIAL TIMES

SOUTH AFRICA Arguments that work both ways Page 19

Table with columns for various countries and their respective market indices.

No.30,787

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World News

Government of Sudan close to collapse

Sudan Government appeared close to collapse as Mr Sadiq al-Mahdi, Prime Minister, came under renewed political pressure to resign.

Business Summary

Fokker wins \$500m order for new aircraft

FOKKER, the Dutch aircraft manufacturer, has won a \$500m order for 11 Fokker-100 aircraft and an option for another 11 from International Leisure Group (ILG), a UK travel company.

China, India call for global fund to control CFCs

By John Hunt, Environment Correspondent, in London

CHINA yesterday said it was prepared to join the Montreal Protocol on the control of chlorofluorocarbons (CFCs) which deplete the world atmosphere's protective ozone layer.

Goldsmith links with Rothschild to pursue UK buyouts

By Nikki Teit in London

Sir James Goldsmith, the billionaire financier, has linked with Mr Jacob Rothschild to return to the UK corporate acquisition trail.

Moscow plan on nuclear arms opposed

By Robert Mauthner and Judy Dempsey in Vienna

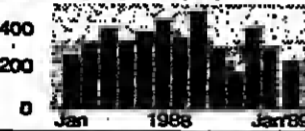
THE Soviet Union yesterday proposed separate negotiations on the reduction of tactical nuclear weapons in Europe.

British Rail inquiry

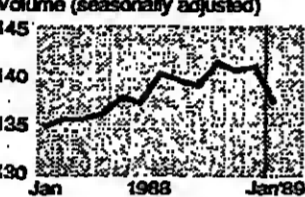
British Rail began an inquiry following a train collision in Glasgow, Scotland, in which two people died and 46 injured.

Consumer credit agreements

Changes in amounts outstanding seasonally adjusted (bn)



Retail sales (1989 = 100)



Democrat turns

President nominee John Tower won his first declared Democratic supporter in the Senate when Alabama Senator Howell Heflin said he would vote for Mr Tower's nomination as Defence Secretary.

East bloc aid

Hungary and Poland have agreed to accept US assistance for efforts to revitalise their economies.

Swiss scandal

Switzerland's public prosecutor resigned in a drugs and money-laundering scandal which has already ended the career of the country's first female government minister.

Pravda attack

Pravda, Soviet Communist Party daily, launched a blistering attack on the central control of agricultural production and on Gosagroprom, the bureaucratic ministry which directs the nation's agriculture.

Palestinians freed

Israel freed 130 Palestinian prisoners in a goodwill gesture but a 19-year-old Palestinian was shot dead by troops during violent protests in the occupied Gaza Strip.

Vietnamese reforms

A meeting of Vietnam's Communist Party Central Committee this month is expected to speed up reforms, a senior official said.

Tibetan violence

Violence swept Lhasa yesterday as Tibet approached its 35th anniversary of the failed 1959 anti-Chinese uprising and consequent flight of the Dalai Lama.

East people meeting

Officials from 37 countries met in Malaysia today to try to agree on solutions leading to the resettlement of more than 300,000 Indo-Chinese boat people.

Walens negotiations

Solidarity leader Lech Walensa is likely to meet Interior Minister Gen Czeslaw Kiszczak to iron out problems in Warsaw this week in negotiations to legalize the banned union.

Rabbi's fusillade

Israeli Chief Rabbi Avraham Shapira urged the 1st Aviv Government to ban sales of Salman Rushdie's controversial novel The Satanic Verses, calling it a threat to Moslem-Jewish relations and world peace.

Greenpeace arrives in Red Square

By Quentin Peel in Moscow

GREENPEACE, the international ecology movement, is set to open an office in the Soviet Union as a result of a unique joint venture with the Soviet state record company.

Former NTT chief charged in widening Recruit scandal

By Stefan Wagstyl in Tokyo

JAPAN'S Recruit financial scandal claimed another head yesterday with the arrest of Dr Hisashi Shinto, former chairman of Nippon Telegraph & Telephone, Japan's largest company, on bribery charges.

MARKETS

Table showing market indices for Switzerland, FT-A World Index, and various bonds.

STOCK INDICES

Table showing stock indices for New York, Dow Jones, S&P Comp, and others.

Wage restraint falls to halt Danish slide

Prime Minister Poul Schlüter was given a sharp warning by the country's EC commissioner who said that Denmark needed to improve competitiveness by 2 or 3 per cent a year over the next four years.

South Korea Protection turns to construction in telecom industry

UK: A vision for Teesside rises from the waste land

Management: Engineering: building in the ability to grow

Technology: The tiny valve that can take on the chip

West Germany: Profiting from the Soviet Union's economic reform programme

Editorial Comment: Lessons from Venezuela: The price of safety

Lutz Goldsmith: UK retail sales: Storehouses: ADT

Table of contents listing various articles and their page numbers.

Advertisement for Bank of Montreal Singapore Branch, featuring deposit notes and contact information for various banks.

Large advertisement for 'The Financial Times' at the bottom of the page, including subscription information and contact details.

EUROPEAN NEWS

Italian steel rescue plan blocked

By William Dawkins in Brussels

THE European Commission yesterday blocked a £5,185bn (£3.5bn) rescue plan for Italy's state-owned steel industry...

The £5,185bn represents two thirds of the Italian Government's original aid plan for Iva, cut back at the Bonn Government's insistence...

political support to efforts to secure global adoption for EC high definition television standards. They issued a communique, inspired by the Dutch Government...

Hungarians in protest over Danube dam

HUNDREDS OF Hungarians waving banners demonstrated outside the country's Environment Ministry yesterday in protest against a hydroelectric dam being built on the Danube...

West German economy makes strong start to the year

THE LATEST West German economic data show the economy had a strong start to the year and some economists predicted that 1989 economic growth could top government forecasts...

forecast economic growth of up to 2.5 per cent this year after 3.4 in 1988. In February, Mr Helmut Haussmann, Economics Minister, said 1989 growth could top Bonn's forecast.

and an upwardly revised increase of 1.7 per cent in December's figure. The ministry also published data which recorded a 2.5 per cent fall in January incoming orders for industry...

Pragmatism sweeps W German Greens

THE new pragmatism of West Berlin's Greens, who are on the point of forming a government with the Social Democrats in this city, has now spread to West Germany's Green Party as a whole.

THE CONVENTIONAL ARMED FORCES IN EUROPE CONFERENCE Western alliance takes aim at East bloc tanks and artillery

By Robert Mauthner and Judy Dempsey in Vienna

THE FOLLOWING are the Nato and Warsaw Pact proposals put forward by Sir Geoffrey Howe, the British Foreign Secretary, and Mr Eduard Shevardnadze, the Soviet Foreign Minister...

Europe and of well over 50 per cent in its armoured troop carriers. 3) Limitations on these types of forces when stationed outside their own countries...

implemented. It is also proposing a series of confidence-building measures which go even further than those in the Stockholm Agreement of 1986.

TAIPEI WORLD TRADE CENTER. Every day 3,000 importers and exporters see us first. At the Taipei World Trade Center...

Warsaw Pact seeks three-stage cut to defence-only levels

THE WARSAW Pact's proposals: Mr Shevardnadze proposed a three-stage reduction of armed forces in Europe in the area from the Atlantic to the Urals...

Nato proposals, must be considered as important elements of a surprise attack. The Soviet Foreign Minister also proposed that, "along the line of contact" of the two alliances, zones with lower levels of arms would be set up...

That is, approximately by 500,000 men - together with their armaments. During the third phase, the armed forces would be given a strictly defensive character...

US proposes chemical arms conference. By Judy Dempsey. THE US will step up the removal of its existing chemical weapons from West Germany...

Another award for Wales

THE COUNCIL of Europe said yesterday it had awarded its annual Human Rights Prize jointly to Mr Lech Walesa, leader of Poland's Solidarity movement...

Hungary and Poland ask US for economic help

HUNGARY AND Poland, the two East European countries at the forefront of political and economic reforms, have appealed for greater US assistance for their efforts to revitalise their economies.

Shevardnadze warning over Rushdie

WESTERN and Eastern countries should stop playing on each other's difficulties, whether it was Iran's conflict with the Arabs or the West's difficulties in its relations with Iran, Mr Eduard Shevardnadze, the Soviet Foreign Minister, emphasised yesterday.

US proposes chemical arms conference

THE US will step up the removal of its existing chemical weapons from West Germany. It has also proposed a meeting of governments and the chemical industry as part of its efforts to stem the proliferation of chemical weapons.

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His comments, made in his speech to the conference, were a clear reference to the international row over Mr Salman Rushdie's book The Satanic Verses.

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EUROPEAN NEWS

Koskotas claims millions went to Greek government officials

By Andriana Ierodiakonou in Athens

POLITICAL PRESSURE on the Greek Socialist Government to resign over the scandal involving Mr George Koskotas, the former banker and press baron, intensified yesterday after he was quoted as alleging that millions of dollars in misappropriated funds were channelled to top government officials.

Mr Constantine Mitsotakis, leader of the Conservative opposition, countered: "It is monstrous for Mr Papandreou to continue to pose as Prime Minister and to repeat tasteless grapple regarding foreign and Greek conspiracies." He called for the immediate resignation of the Socialist Government.

drop in the Socialists' popularity over the Koskotas scandal, the Conservatives are expected to come first in the next elections, scheduled for June 1989. Whether they will secure a majority of seats, however, will depend on the electoral system.



Mr Andreas Papandreou is questioned yesterday in Athens about the latest revelations in the Koskotas affair.

New Imhausen chief admits group errors over Libyan plant

By David Marsh in Bonn

THE chairman-designate of Imhausen-Chemie, the West German chemicals concern at the centre of controversy over alleged supply of chemical weapons technology to Libya, has admitted that the company did "something wrong" over the affair.

find a firm which is as well equipped. What we need now is peace, and not to have our employees persecuted by the press.

Mr Uwe Kuntze, appointed to take over the helm of the company from April 1, said Imhausen appeared "not to have respected regulations" over the matter. However, he denied that the company had acted "intentionally or maliciously" over its Libyan connections.

The management change appears above all an attempt to persuade the Bonn Government to resume funding for three Imhausen research projects. The Technology Ministry has suspended DM10m (£4.2m) in payments due to be made up to 1990-91, a decision which Imhausen claims has put 50 jobs at the company at risk.

Mr Kuntze previously managed a subsidiary of the Nattermann pharmaceutical group in Cologne. He was named last week as Imhausen chairman in an attempt to give the troubled group a respite from the bad publicity plaguing it since its links with Libya were revealed at the beginning of the year.

A Technology Ministry spokesman however said yesterday that no quick decision would be taken on freezing the funds. He said the management change was "necessary but not sufficient" to win back the Government's confidence in the company.

Mr Kuntze will take over from Mr Jürgen Hippelstaedt, Imhausen's current chief executive. Mr Hippelstaedt, who founded the company in 1965, is the focus of investigations by West German state prosecutors into allegations that the company organised deliveries of plant and equipment for Libya's disputed plant at Rabta, south of Tripoli.

Wage restraint fails to halt Danish slide

THE WAGE settlements emerging from Denmark's two-year collective bargaining process are turning up the lowest increases in 30 years.

Unemployment averaged 8.5 per cent in 1988 and is expected to head towards 10 per cent over the next two years. Stagnation followed tough measures in 1986 to control the external current account deficit, which soared to DKr32bn (£2bn), or 6.2 per cent of GDP that year.

Low pay settlements are welcomed, but help only fractionally, writes Hilary Barnes

last week, argued that if Denmark was to escape a low-growth, high-unemployment trap, a reduction in relative wage levels was required.

On the external current account front, the news is good. The deficit was cut to DKr12.1bn, or about 1.7 per cent of GDP. The trade account was in substantial surplus. Most of the other economic news is bad.

5 proposals for armament reference

Judy Dempsey

US will step up use of its existing weapons from the level it has also proposed. It has also proposed a "flexible" approach to stem the flow of chemical weapons.

France's current account deficit narrows in 1988

By Ian Davidson in Paris

THE FRENCH balance of payments deficit on current account improved slightly last year compared with 1987. On the other hand, the December figure showed a clear deterioration compared with both November 1988 and December 1987.

EC ministers trim technology transfer plan

By William Dawkins in Brussels

WEST GERMANY, France and Britain yesterday led the way in forcing the European Commission to cut drastically a Ecu130m (£84m) plan to encourage the transfer of technology between EC countries.

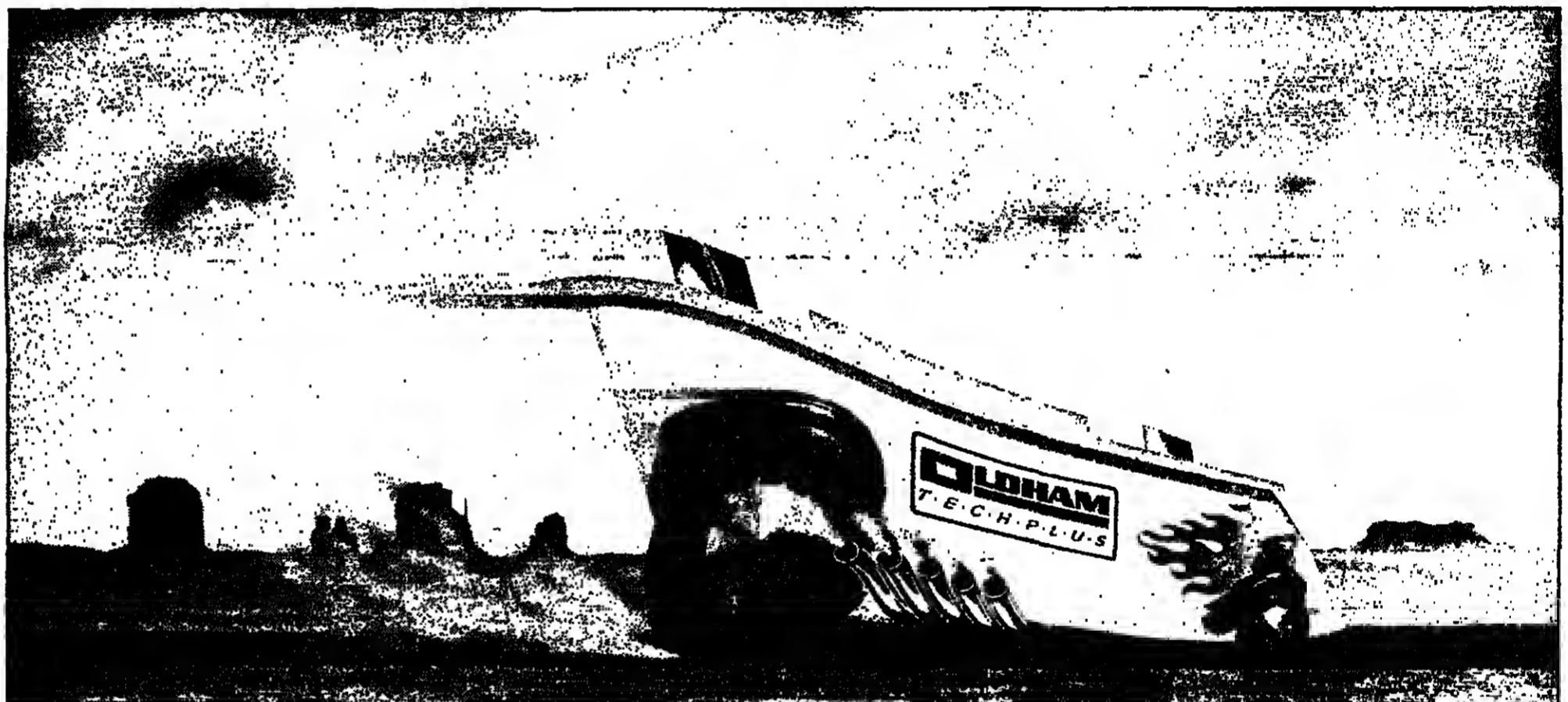
range of public sector enterprises had propped up the Bank of Crete with at least Dr10bn (£37m) in deposits in the two months leading up to the launching of the investigation into the affair last October.

member states, via grants for joint ventures or help with international consultancy costs. However, the three biggest members, backed by Denmark and the Netherlands, argued that the plan overlapped with other small business assistance measures.

sioner responsible for small businesses, yesterday launched a report on the EC's enterprise policy calling for further development of these efforts and more progress towards cutting red tape.

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The existing gas-fired dryer was producing an unacceptably high level of rejects, and also made for an extremely hot and uncomfortable working environment. Paul Keeley, Industrial Sales Engineer from the North Western Electricity Board, was called in for his advice.

Following extensive trials on site and at Norweb's Test and Development Centre, a shortwave infra-red drying system was incorporated into the Oldham Techplus production line with dramatic results.

Rejects were significantly reduced and overall energy costs dropped by 71%. Payback on the £16,000 investment was achieved in 14 weeks and annual savings are £58,566.

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AMERICAN NEWS

**Creditors ease path for new Brazil funds**

By Stephen Fidler

BRAZIL'S leading creditor banks have agreed to ease the way for \$800m of delayed new bank funds to Brazil. The disbursement under a rescheduling and new money agreement agreed last year was originally dependent on a controversial \$500m power sector loan from the World Bank.

The power sector loan has been bogged down mainly because of Brazil's incorporation into its Eletrobras utility of the country's nuclear generation capability. The World Bank is not allowed to lend for nuclear power projects.

After meeting Brazilian officials in New York last week, the leading creditor banks agreed to substitute a number of World Bank project loans for the power sector loan.

This request will have to be agreed by lenders of two-thirds of the new money.

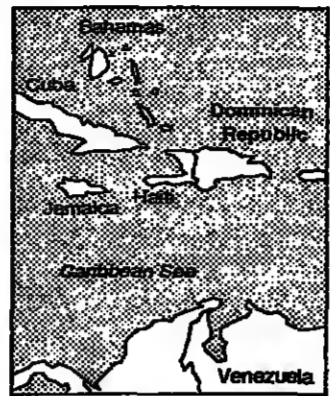
**Caribbean pays the crippling price of foreign debt**  
Canute James examines methods of easing the burden and solving the region's economic problems

THE Dominican Republic, which has a public foreign debt of \$3.4bn, was required to spend \$907.9m to service its obligations which matured last year.

"If we add arrears accrued by December 1987, this figure is increased to \$1.2bn," said Mr Roberto Martinez, the Finance Minister. "That is 165 per cent of our total exports for 1988."

In the shadow of the mega-debtors of South and Central America, indebted Caribbean states such as the Dominican Republic are facing problems which government officials say are more crippling than those of Mexico, Brazil and Argentina. Yet Mr Martinez's neighbours finance ministers may consider him fortunate.

In the unlikely event that Dominicans were asked today to pay off the country's foreign debt, each would have to cough up \$587. Asked to do the same, Barbadians would each need \$2,526, Jamaicans \$1,675, and Trinidadians \$1,636. On the same basis each Brazilian theoretically owes \$360, Mexicans



\$1,245 and Argentinians \$1,665. "Third World countries cannot continue financing the industrialised world's prosperity, paying high interest rates and obtaining very low prices for our exportable commodities," Mr Martinez said recently. "The time has come for a transition from what the country must pay to what it can pay in the best of circumstances. It is perfectly feasible

to pay what it is possible to pay, negotiate what is technically demandable, and defer the impossible."

Just what the Caribbean countries can do to ease their crippling debt burdens is not clear. Not many of Mr Martinez's colleagues are willing to go as far as the unilateral action which he implies.

Some governments speak of "growing out" of the debt problems with the aid of new money to expand their economies. But most have found that mounting debt/service ratios and increasing arrears as in the case of Guyana - lead to more than slight reluctance on the part of commercial banks, creditor countries and the multilateral institutions to lend more.

The ideal solution for the region's debtors (if not for creditor banks and the Paris Club) is to forgive the debt-quotients. But influential bilateral creditors in the Caribbean, mainly the US, are not willing to consider this.

"Economic growth is the key

to successful debt management," argued Mr Peter Whitney, director of the office of regional economic policy in the US State Department. "The flow of new money alone is not enough, and debt relief will not lead to growth."

Hard-pressed Caribbean central bankers and finance ministers are likely to regard such positions as being obstinate and lacking the flexibility needed to resolve the problem.

Dr Courtney Blackman, former governor of the Barbados central bank, claimed historical precedents to attack creditor countries for adopting double standards. "The debt problems of the lesser developing countries are analogous to those of some European countries after the First and Second World Wars," Dr Blackman contended. "They also cannot pay their debts. There is therefore a need for new inflows and this can only be achieved through debt relief."

The region's debtors have been trying to ease their high service ratios through refinancing

agreements with Paris Club and commercial bank creditors. Others, such as the Dominican Republic and Guyana, have been forced to accumulate arrears.

Various forms of debt-swapping are planned by some governments. The Jamaican Government has proposed that multilateral institutions oversee new payments schedules and new loans.

Mr Whitney argued, however, that all these plans were likely to fail unless indebted governments reorganised their domestic economies and implemented structural adjustment policies.

"Inflation must be brought under control and policies for freer trade must be implemented. Incentives for production must be given and there is need for greater fiscal discipline."

But new financial inflows as a consequence of these measures have not been Guyana's experience, said Mr Winston Murray, the Trade Minister. The Guyanese Government is

hoping to conclude a standby credit agreement with the International Monetary Fund in the next few months.

Mr Murray said his Government had started implementing the framework of an IMF package, deregulating trade, divesting and closing inefficient state enterprises and encouraging greater local and foreign private sector involvement in the economy.

Countries are being forced to borrow increasingly from agencies such as the IMF, the World Bank and the Inter-American Development Bank.

"The one category of debt which is not being addressed is that owed to the multilateral institutions," Mr Murray insisted in suggesting that changes be made so that institutions such as the IMF and World Bank could discuss refinancing.

But with such changes, if they are made, unlikely to solve the immediate and pressing problems of the Caribbean, Mr Murray argues for more flexibility.

**Jamaica 'may not meet IMF targets'**

MR Michael Manley, Prime Minister of Jamaica, says the island's finances are "in a mess" and has put doubt on the island's ability to meet performance targets set by the International Monetary Fund for the end of this month, writes Canute James in Kingston.

Mr Manley, who took office three weeks ago after his People's National Party won the general election, said the Government had been forced to reduce expenditure. He said the previous government led by Mr Edward Seaga had assessed the IMF's domestic spending target with the IMF and that the fiscal budget was "like a runaway cart down a steep slope".

The Prime Minister said the island's external account had been affected by "catastrophic" by the previous government. He said loans from institutions such as the Inter-American Development Bank and the United States Agency for International Development had been delayed because it had not signed the agreement.

Under an agreement with the IMF Jamaica has access to credits totalling \$1.8bn (\$850m) to be drawn down by the end of this year.

**Pérez faces attack over his economic measures**

By Joe Mann in Caracas

PRESIDENT Carlos Andrés Pérez and Venezuela's ruling party, Democratic Action (AD), are facing sharp opposition in Congress over economic policy and are expected to be taken to task for their handling of last week's riots.

Two of the country's main opposition groups, the Christian Democrats Party (COPEI) and the Socialist Party (MAS), while condemning the violence, have attacked the administration for ordering economic measures that provoked big price increases for basic goods and services.

Increases in transport fares

sparked the violence which swept Venezuela last week, leaving more than 250 dead and nearly 2,000 injured in its wake.

Mr Alejandro Izaguirre, Venezuela's Minister of the Interior, yesterday appeared before the Chamber of Deputies as the Congress began a government-initiated investigation into the causes of the violence.

The lower house also has requested the appearance of the ministers of finance and planning, to explain an agreement reached last week between the Government and

the International Monetary Fund. A week ago, the Government signed a letter of intent with the IMF as part of its plan to obtain extended credit facilities from the Fund.

MAS has begun an independent investigation into the reported disappearance of a number of people during last week's violence.

Mr Pérez has been in power for just over a month. His party, AD, held a strong majority in both houses of the national legislature under the previous administration but lost its majority in elections held last December.

The Government yesterday lifted a night-time curfew that had remained in effect in Caracas and two cities in central Venezuela - Valencia and Maracay.

Stephen Fidler adds: A \$600m interim financing offered to Venezuela by its leading creditor banks to ease the country's severe cash problem is linked to oil exports, bankers said yesterday.

Mr Edgard Leal, the chief government debt negotiator, returned to Caracas at the weekend after meeting Venezuela's main bank creditors led by Chase Manhattan Bank in

New York. If acceptable to the Government, the interim financing would be syndicated rapidly among a small group of banks.

The proposal is that the interim loans - to be replaced in time by medium-term financing - would be in effect collateralised by oil exports from the state oil monopoly, PDVSA, to two Venezuelan controlled oil companies in the US, Champlin Oil and Citgo Petroleum.

The proposal is similar to a facility by Bank of America and Salomon Brothers which fell through last year.

**Alfonsín warns banks on interest payments**

By Gary Mead in Buenos Aires

PRESIDENT Raúl Alfonsín of Argentina has warned foreign creditors that any further interest payments on Argentina's \$60bn (\$35bn) foreign debt are dependent on offers of fresh credit.

He told a meeting of the Buenos Aires creditors exchange at the weekend: "We are ready to use part of our reserves to fulfil our obligations, on condition that creditor banks meet theirs."

Without such a response "we will use our reserves to maintain import requirements necessary for national economic growth."

Argentina is \$2.3bn behind in interest payments to commercial banks, having paid only \$100m since April 1988. Its indebtedness is increasing at an estimated \$200m per month. Its de facto moratorium is part of a bargaining strategy used since April in protracted negotiations with the International Monetary Fund and commercial banks for fresh loans. Argentina's foreign reserves are estimated at \$3.5bn.

Mr Alfonsín's international finance concerns are compounded by increasing calls for swift action on the domestic economic front. In the same speech he repudiated suggestions that he was about to change either personnel or policy.

February saw interest rates peaking at a monthly 40 per cent, inflation of almost 10 per cent with black market depreciations of Argentina's currency, the austral, exceeding 100 per cent. Independent economists now expect inflation to be at least 14 per cent during March.

Mr Alfonsín's statement of economic policy was due to be backed by a televised press conference but yesterday with his economic team.

**Troops on alert in Bogota**

Troops and tanks yesterday took over the centre of Colombia's capital, Bogota, to stop demonstrations against the assassination of left-wing leader Mr Jose Antequera, writes Sarita Kendall in Bogota.

Mr Antequera, vice-president of the Patriotic Union party, was shot at Bogota's international airport on Friday. His funeral was held yesterday.

Bodyguards killed the gunman responsible for the shooting but his accomplices apparently escaped.

The Attorney-General has attributed recent violence - particularly the murder of political leader - to paramilitary and drug trafficking groups. More than 700 activists belonging to the Patriotic Union have been murdered in the last three years.

**Quebec strives to placate anglophone community**

By Robert Gibbins in Montreal

QUEBEC'S premier, Mr Robert Bourassa, has put Mr Claude Ryan, the Education Minister, in charge of language laws in an attempt to ease fears among English-speaking groups that the province's Bill 178 discriminates against them.

The replacement of the inexperienced Mr Guy Rivard by Mr Ryan is intended to contain the language issue. Bill 178 was passed last December after the Supreme Court of Canada in Ottawa had ruled that French-only commercial signs in Quebec were unconstitutional.

Since the Supreme Court decision, the separatist Parti Québécois Opposition has added about 10 percentage points in popularity polls. However, Mr Bourassa's Liberals retain 55 per cent support.

Mr Bourassa used the "notwithstanding" clause that allows a province to sidestep certain sections of the 1982 constitution to retain French-only exterior signs, while allowing bilingual interior signs under Bill 178.

Quebec's nationalists regarded bilingual interior signs as a concession to the anglophones but their protests have died down. Anglophones were angry because they expected the Quebec Liberals to follow up their promises to allow bilingual exterior signs.

Mr Ryan, who is bilingual and a former publisher of Montreal's Le Devoir daily newspaper, is well known among Montreal's anglophone community.

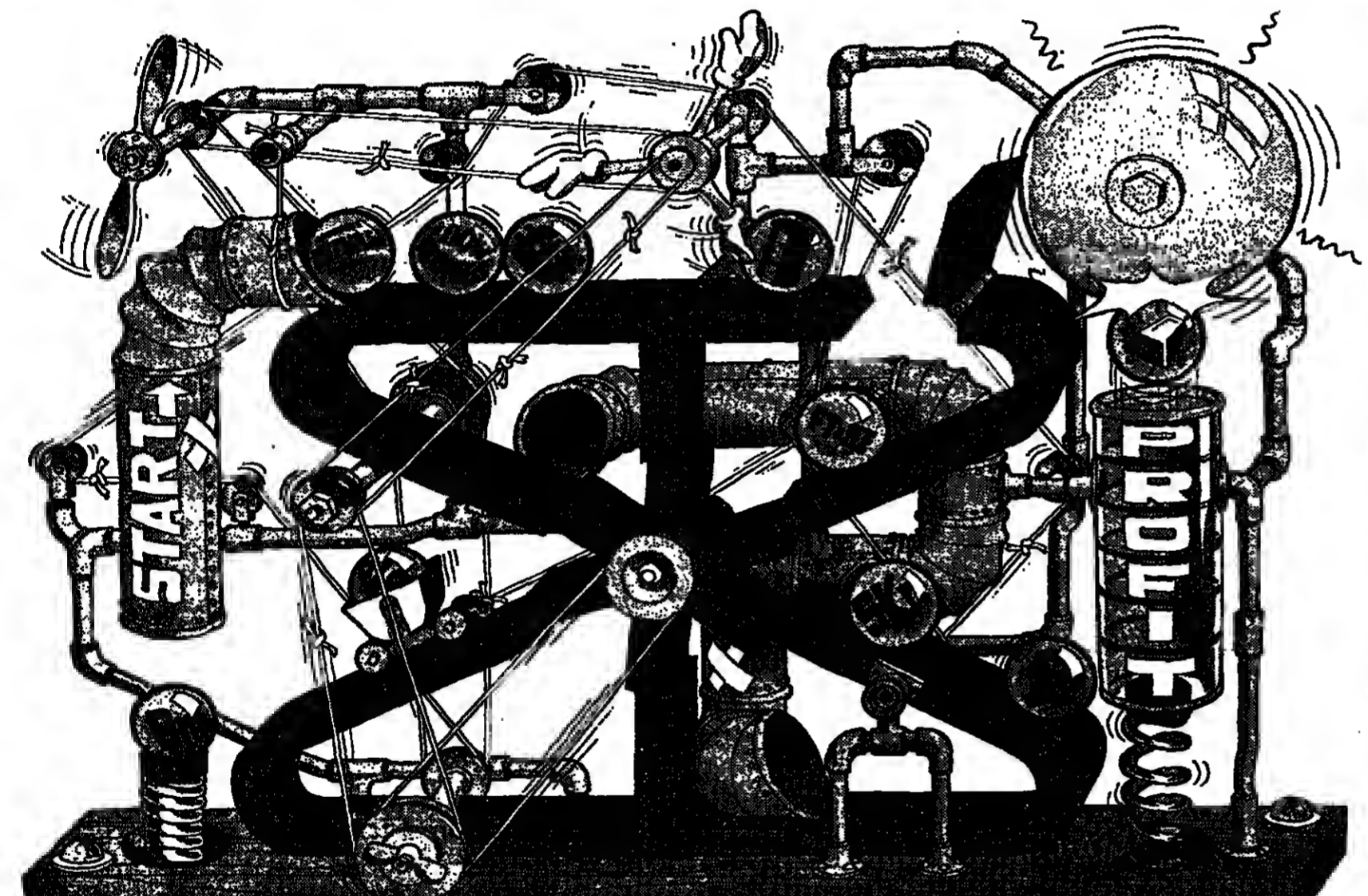
His appointment raises speculation that Mr Bourassa may call an election in late spring, rather than wait for the autumn.

**Managua eases land controls**

Nicaragua's government announced a new agrarian reform law on Sunday that will put an end to government seizure of land, Reuters reports from Managua.

Mr Jaime Wheelock, Agriculture Minister, said the rights of property owners would be guaranteed under the law and that "we will move from an expropriation to a consolidation phase".

After ousting Anastasio Somoza in a 1979 revolution, the Sandinista government expropriated thousands of hectares of arable land belonging to the Somoza family and its supporters. Later, the Government also expropriated land belonging to Nicaraguans who left the country for more than six months, a move which created distrust among landowners and caused many to reduce or abandon farm production.



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## One By One

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OVERSEAS NEWS

Nigeria and Paris Club agree debt rescheduling deal

By Michael Holman, Africa Editor
NIGERIA and the Paris Club have reached agreement on terms for the rescheduling of \$6bn owed to Western governments...

India offers help to Afghan Government

By K K Sharma in New Delhi
INDIA has "responded positively" to the Afghan Government's request for what is described as "economic and humanitarian" assistance...

Sri Lankan PM sworn in

By Mervyn de Silva in Colombo
MR D B Wijetunge, the Sri Lankan Finance Minister, was yesterday appointed Prime Minister...

Hanoi seeks to strengthen reformers

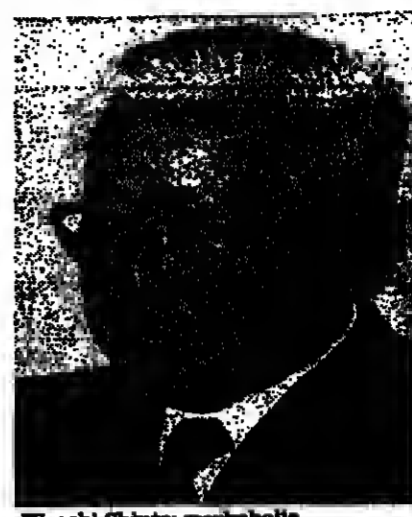
By John Elliott in Hanoi
A RESHUFFLE of senior economic ministers in Vietnam's communist Government was announced last night...

Ignominious end for a model Japanese manager

Ian Rodger profiles Hisashi Shinto, the distinguished industrialist held over bribery allegations

THE arrest last night of Mr Hisashi Shinto on suspicion of accepting bribes appears to bring to an ignominious end the career of one of Japan's most distinguished post-war industrialists...

At NTT also he had to manage radical change. He was the first president of the then monopoly state-owned company to come from the private sector...



Hisashi Shinto: workaholic was NTT's spectacular flotation on the stock market in early 1987...

of Japan's future in a high-tech era. Excitement over the shares rose, and they eventually fetched about 130 times NTT's earnings per share in the previous year...

Sudan Government close to collapse over PM's 'stalling'

By Julian Ozanne in Khartoum
SUDAN'S Government appeared close to collapse last night as Mr Sadiq al-Mahdi, the Prime Minister, came under renewed political pressure to resign...

Palestinians die as uprising flares again

By Andrew Whitely in Jerusalem
THREE Palestinians died yesterday in the Israeli-occupied territories - two of them during violent clashes with troops...

Occupation no solution, says Waldegrave

By Lamin Andoni in Amman
MR William Waldegrave, a British Foreign Office Minister, arrived in Amman yesterday after a tour of the Israeli-occupied West Bank and Gaza Strip...



Some of the 214 smokers arrested yesterday crammed into Quezon City jail

Smokers hauled off in Philippines

SMOKING in public could be on its last gasp in the Philippine capital, where plainclothes police and traffic cops have launched a determined effort to stamp out the habit...

End to migration ordered

CHINA HAS ordered a halt to the wave of migrant peasant labour sweeping into many of its cities over the past month, Reuters reports...

Lebanese blockade

Christian-led troops launched a blockade of Lebanon's pirate ports on Monday in a move that could renew civil war violence, Reuters reports from Beirut...

Boat-people conference starts

By Robin Pauley, Asia Editor
OFFICIALS from 37 countries met in Malaysia today to try to come to an understanding over the resettlement of more than 300,000 Indo-Chinese boat-people...

Pakistan accused

Afghanistan yesterday accused its neighbour Pakistan of sending more militia, rockets and land mines to help Muslim guerrillas fighting the Soviet-backed government in Kabul, Reuters reports from Islamabad...

WORLD TRADE NEWS

Italians in bid to boost investment by Japanese

By John Wyles in Rome

MR Renato Ruggiero, Italy's Foreign Trade Minister, arrived in Tokyo yesterday determined to boost the relative parity of direct Japanese investment in his country. Italian concern about what seems to be a Japanese investment boycott has soared since it emerged that Toyota looked likely to build a car plant in the UK.

Chipmakers fan flames of US rows with Japan

By Louise Kehoe in San Francisco

US semiconductor industry leaders have begun fanning the flames of their long-burning trade dispute with Japan. Messages in Washington last week for their annual caucus, the semiconductor executives set about focusing the attention of the Bush Administration on unresolved issues arising from the controversial 1986 US Japanese semiconductor trade accord.

S Korea's closed door hurts those inside

Protection turns to constriction in telecommunications industry, writes Maggie Ford

IN THE Seoul headquarters of the state-owned telecommunications monopoly there are two large mainframe computers. One of them belongs to Teletel, the US financial information company owned by AP Dow Jones, and the other to Reuter, the financial information company based in the UK.

The argument between the US and South Korea has centred on what Washington describes as monopolistic practices in the telecommunications market, ranging from demands covering international value-added networks, computer communication by satellite, communications charges and the sale of data systems on the basis that the US is essentially demanding the privatisation of the industry.

Foreign orders flowed in to hard-pressed South Korean shipyards in January and February as the industry showed signs of recovering from a worldwide recession, the trade ministry said yesterday. Reuter reports from Seoul. Ministry officials said 39 ships totalling 587,000 gross tons were ordered by February 20, up from four vessels totalling 352,000 tons in the same 1988 period.

The strict government control has been related in the past both to national security and to the tendencies of past authoritarian rulers to restrict information. Ministry of Communications officials say now, however, that they have no intention of restricting information, but cannot allow foreign companies to act as though they were state-owned Korean firms.

South Korea cannot handle a combination of voice and data transmission because the structure of its telecommunications industry means two different monopolies are involved. Pressure on the Government from the South Korean business community is already growing to reduce communications charges for electronic equipment. And as companies start to make profits from "financial engineering", demands are likely to get louder.

Brussels probes fertiliser imports from East Europe

By William Dawkins in Brussels

FERTILISER exports from four Eastern European countries are being investigated for alleged unfair underpricing in the European Community. The Brussels Commission yesterday launched an anti-dumping inquiry into sales of fertilisers containing potassium, nitrogen and phosphorus from Romania, Hungary, Poland and Yugoslavia. It is the latest in a series of inquiries into alleged dumping of bulk chemical products and commodities from the Eastern bloc.

Chipmakers fan flames of US rows with Japan

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The US has insisted that progress in market access should be measured in terms of market share, with a goal of 20 per cent foreign market share by the end of the five-year trade agreement in 1992. The US industry has also urged the US Trade Representative to include Japan in its "super 301" list of countries that require priority action on unfair trade issues.

Fokker wins \$500m British order for 11 aircraft

By Laura Raun in Amsterdam

FOKKER of the Netherlands has won a \$500m order for 11 Fokker-100 aircraft and an option for another 11 from International Leisure Group (ILG), a UK travel company. The contract, signed yesterday, was Fokker's second major order in as many weeks. It follows a \$300m (£173m) deal with Transport Aérien Régional of France.

F-100 twinjet and is hoping for a breakthrough contract in the US, where it is reported to be negotiating with American Airlines for about 100 aircraft. Four of ILG's F-100s are for Air Europe Express, an international commuter airline, and the other seven are for Aircraft Leasing and Management (ALM), a recently-established subsidiary.

Delivery of the first F-100s will begin in October next year and continue at two a month. The aircraft will be outfitted with Rolls-Royce MK 650 engines, more powerful versions of the standard Tay 650. Rolls-Royce's order amounts to about \$30m. Mr E J Nederkoorn, a Fokker board member, admitted yesterday that expansion of production capacity was now urgently needed.

But he insisted that a proposed takeover of Short Brothers, together with GEC of the UK, was only one option for lifting the production tempo. Expansion in the Netherlands or the US is also possible. Yesterday's signing was marred by the news that an F-100's landing gear had collapsed on landing in Geneva on Sunday, Mr Nederkoorn said. A thorough investigation was being carried out.

Australia urges more reform in Japan's farm policy

By William Dulforce in Geneva

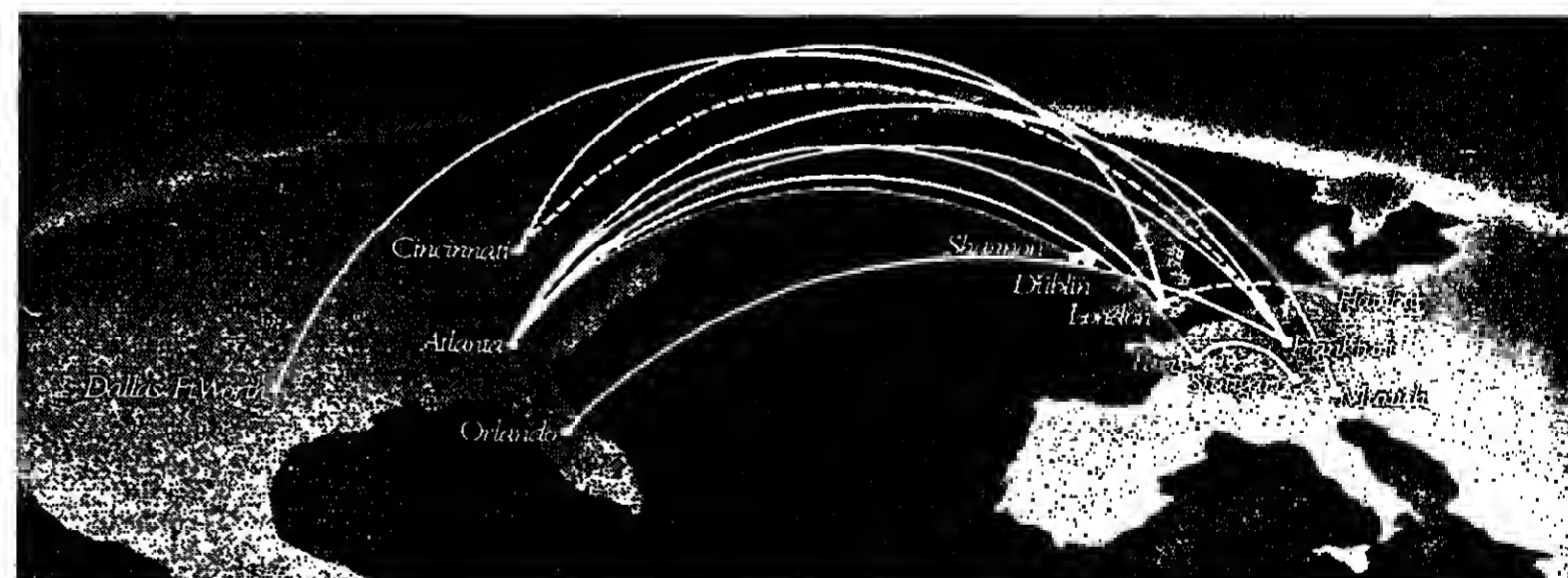
FURTHER big reforms in Japan's agricultural policy are called for in an Australian study circulated in Geneva among GATT members. While recognising that in 1988 Japan had instigated "significant changes" in response to both international and domestic pressures, the study points to further steps Tokyo could take to "confirm its commitment to an open multilateral trading system". Measures evoked range from land reform and tax treatment of land use to changes in institutions such as the Japanese Food Agency which "have over-ridden the role of the agricultural market".

Turkey-US air offset deals signed

By Jim Bodogener in Ankara

OFFSET investment agreements in Turkey valued at \$480m (£266m) have been signed by General Dynamics Corporation of the US as part of a \$1.2bn scheme to make its F-16 fighters in Turkey. The agreements relate mainly to new plants near Ankara opened yesterday by Mr Turgut Ozal, Turkish Prime Minister, to make F-16 fuselage sections and wings. In addition, the US company will establish a company with \$85m capital to invest in other offset deals. One offset scheme which has already benefited from the overall project is the construction of a Hilton hotel in Ankara.

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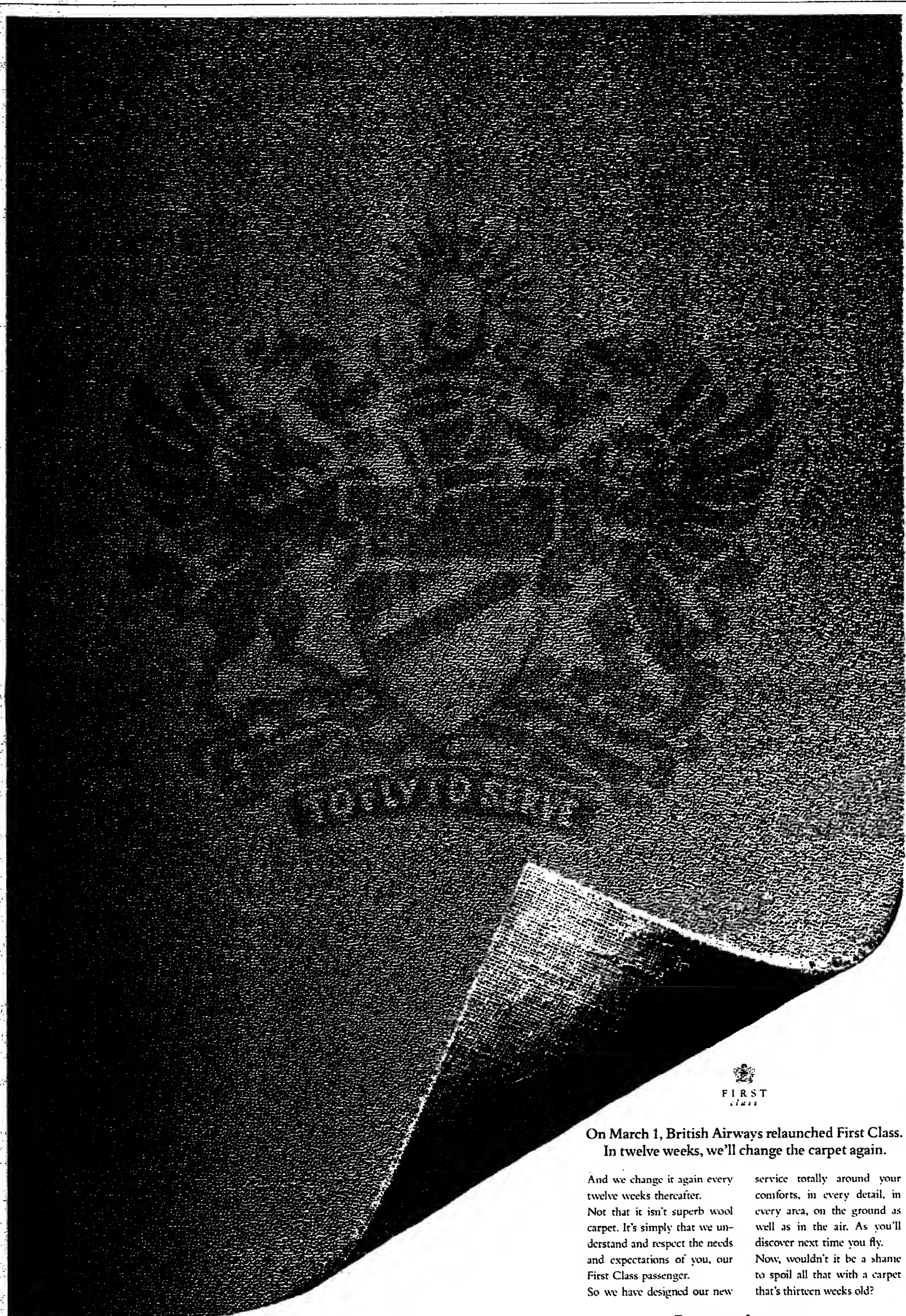
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## UK NEWS

## Most of Chunnel rail link likely to go under ground

By Kevin Brown, Transport Correspondent

BRITISH Rail is about to announce plans to run two-thirds of its proposed high speed railway line from London to the Channel Tunnel under ground.

The decision, which will be announced later this week, is a victory for environmental protesters in the south-eastern county of Kent and South London. It will add around £200m to the estimated cost of £1.2bn.

BR is understood to have chosen a much altered version of Route One - always the favoured of the three proposed routes among the corporation's senior staff.

The route will run almost entirely under ground in London, where it will follow an alignment between the original proposals for Routes One and Two. There will also be extensive tunnelling in Kent, possibly including Ashford, where BR plans a major terminal.

In other areas, the alignment will be shifted to follow the M20 motorway in order to avoid historic villages where opposition has been especially strong.

The changes follow a meeting last week between Mrs Margaret Thatcher, the Prime Minister, Mr Paul Channon, the Transport Secretary, Mr Michael Portillo, the Transport

Minister, Mr Nicolas Ridley, the Environment Secretary, and Mr John Major, the Chief Secretary to the Treasury.

The final alignment is understood to have been drawn up after this meeting. However, the Government has denied that the Prime Minister interfered in the decision, claiming that she was only being kept informed of developments.

The revised proposals are regarded by the Government as environmentally sound, especially in comparison with BR's original plans, which were opposed by almost all Kent's Conservative MPs.

The hope is that the changes will dramatically reduce opposition in both Kent and South London, enabling a Private Bill authorising construction work to pass through Parliament quickly. This would mean that the Bill could emerge from Parliament next summer, well before the next general election, which is likely to be called in 1991.

A shorter Parliamentary timetable would also help BR to meet its unofficial target of starting services on the high speed line by 1996, three years after the tunnel opens.

The decision could also help BR to prevent control of the high speed line project passing

to the private sector once the route decision has been made. BR has been fighting a losing battle with the Transport Department and the Treasury to maintain a substantial stake in the line.

A number of construction consortia registered their interest in the original proposals, but some have made clear in private that they are unenthusiastic about taking an equity stake in the project.

If the revised proposals increase the reluctance of the private sector to finance the project, it might have to be returned to BR control and might have to be financed by loans from the Treasury.

The Government is forbidden by the Channel Tunnel Act from subsidising the construction or operation of the line, but officials pointed out that its viability could be transformed by fast commuter services from Ashford and elsewhere, and the use of the line for night freight services.

In any event, total spending on Channel Tunnel-related railway services now looks likely to rise to around £2.5bn, since BR is already committed to spending £600m on improvements to services between 1993 and the opening of the high speed line.

## Two killed in third serious rail crash in three months

TWO people - a train driver and a passenger - were killed yesterday in Britain's third serious rail crash in as many months when two electric suburban trains collided head on just outside Glasgow in Scotland. Our Transport Correspondent writes:

The other driver and an elderly passenger were trapped in wreckage for several hours after the crash. BR said

44 people were taken to hospital, of whom three were detained overnight. Mr James Ellis, Scotrail's general manager, said BR took full responsibility for the accident.

The collision occurred only a few hours before Mr Paul Channon, the Transport Secretary, was due to make a House of Commons statement on Saturday's crash at Purley, in South Lon-

don, which killed five.

BR said the preliminary conclusions of its internal inquiry into the Purley crash pointed to driver error. Signal failure has been ruled out. Officials refused to speculate on the cause of the Glasgow accident, but the inquiry will concentrate on signalling, driver error, and possible mechanical problems, such as brake failure.

The death toll from the Glasgow crash was low because the accident happened when the trains were sparsely occupied. The trains were also travelling at less than 30mph.

However, there will be great concern over the accident because it happened on a stretch of two way or "reversible" line where trains are allowed to travel in both directions.

## Signalling the way to stop rail catastrophes

Kevin Brown looks at British Rail's possible response to three serious recent crashes

BRITISH Rail's Scotrail division set up an internal inquiry yesterday after two passengers died in the third serious rail crash in three months.

The latest accident happened outside Bellgrove, east of Glasgow, when two three-car electric trains collided on a stretch of two-way track. BR's inquiry will determine the circumstances leading to the crash. An inquiry by the Railway Inspectorate, the Transport Department's railway safety watchdog, will follow.

Investigations will concentrate on how two trains travelling in opposite directions came to be on the same section of track at the same time. Two explanations seemed likely: signal failure, since one train should have been held at a "stop" signal while the other passed through the section;

and human error, since one driver or both may have passed through a red light.

BR has said already that the Clapham accident was caused by an error during modernisation work on the signalling system in the area. The causes of the Purley accident remain unclear, although BR have said that the signalling system was working and the investigators' preliminary conclusion was that driver error was responsible. The driver of one of the trains has said he passed a red light.

BR said he appeared to have applied the brakes before doing so, which could indicate that the signal changed suddenly as his train approached, or that he had passed an earlier warning signal and was surprised by the stop signal.

The series of accidents is bound to lead to renewed

demands on BR to adopt technological advances in train operations, whatever the cost.

This has been a hot topic within BR for years. Some engineers have pressed for an immediate upgrading of existing facilities; others for restraint as new systems are designed. BR's main response has been to wait, as financial pressures have squeezed operating subsidies.

Some work has been done. The Clapham accident, for example, happened during installation of a signalling system during modernisation on the Southern Region.

BR is also introducing radio communications into the cabs of most InterCity trains, and those of some services run by the Network SouthEast and Provincial passenger networks.

Much of the internal debate within BR has focused, however, on the Automatic Warning System which operates on most main passenger routes.

This sounds a bell or horn in the driver's cab when he approaches a signal. When the signal is set at amber (proceed with caution) or red (stop), the train's braking system engages automatically unless the driver presses a button.

The fear is that drivers may fail to react properly to a red signal after cancelling the braking system at a long series of amber signals. The introduction of AWS on the Southern Region was delayed for years because of fears that this might happen.

In the early 1970s BR's research and development division developed a more advanced AWS, known as AWS

Signal repeating, or SRAWS, to overcome this problem. The system would have installed a panel in the driver's cab with a display similar to that of the trackside signals.

As the train approached a signal, a duplicate would have appeared on the driver's panel, and would have remained there until the train was up to 200 yards from the next signal.

If the signal was set at caution or stop, the system would have engaged the braking system automatically unless the driver pressed one of up to four buttons. The idea was that drivers would be less likely to lose concentration if they had to choose the correct one of three or four buttons at each signal. The system was made to work, but was abandoned in 1975, largely because it cost three times more to install as the AWS system.

## Mackay hits back at legal reform critics

By Raymond Hughes, Law Courts Correspondent

LORD MACKAY, the Lord Chancellor, yesterday hit back at critics of his controversial proposals for reform of the legal profession and said there had been "a great deal of misunderstanding" about his plans.

He emphasised that he was not proposing government control of lawyers but rather parliamentary scrutiny of their competence and conduct. "Parliament has a legitimate role to play," he told a London conference on his green paper (discussion document).

A statutory framework was needed because the administration of justice was too important to be left to the legal profession alone, he said.

Lord Mackay reserved his sharpest comments for the leaders of the professional association of barristers (the Bar) - and, by implication, those senior judges, all former barristers, who have been outspoken in their condemnation of his proposals. Included in the proposals are plans to end the barristers' monopoly in court representation.

"The leaders of the Bar seem to have decided, for reasons which I find difficult to understand, that the proposals, if implemented, spell the begin-

ning of the end for the Bar.

"I was not aware that the Bar's very existence depended on the retention of legal restrictions. I had thought that the Bar thrived through excellence and by providing members of the public with a much-needed service. I was obviously mistaken," he said.

Lord Mackay said he believed firmly that there would always be an important role for full-time independent advocates.

Accusing the Bar's leaders of being set on "perpetuating this myth of the Bar's imminent demise," he urged them to look at his proposals with an open mind.

Lord Mackay said his advisory committee on legal education and conduct would only be concerned with the principles to be embodied in lawyers' codes of conduct, and only those principles which would be subject to parliamentary approval.

None of the principles he had in mind were "exactly mind-blowing or sinister," he added. The actual codes would be the responsibility of professional bodies such as the Bar Council and the Law Society, as would the granting and revoking of advocacy certificates.

## Pre-trial review of BCCI case opens in US today

By Richard Donkin

A FEDERAL court in Tampa, Florida, is holding a pre-trial review today into the drug money laundering case against the Bank of Credit and Commerce International and nine of its employees.

The review, described as a status hearing in the US, will try to fix a date for the full trial, probably in the autumn. The bank, which denies the charges, has filed a defence motion that the charges should be dismissed on the grounds of outrageous government conduct.

The argument, similar to that of entrapment, is that the whole money laundering operation on which the case is based was established by the US customs to ensnare officials.

The BCCI defence is also expected to argue that the bank could not be held responsible for employee actions and that senior officials would not be able to know that wire transfers, alleged to be involved in the laundering, were the proceeds of cocaine sales.

The prosecution is likely to rely heavily on taped conversations between customs agents, posing as money launderers, and bank officials. Its case may also refer to a judgement by the US Court of Appeals in the case of the US v The Bank of New England where it was held that a corporation could be criminally liable for violations of the law involving its employees.

## Clydesdale Bank invests £50m in computer system

By James Buxton

THE Clydesdale Bank, the Glasgow-based institution owned by National Australia Bank, is to spend £50m on a computer system for its 350 branches.

It will give Clydesdale branches for the first time a fully-integrated computer system which the bank says will cut paperwork handled in the branches and speed the response to loan and other requests. It is the largest single investment the bank has ever made.

As the system is installed the ratio of back office to counter staff in each branch will be reversed. Back office workers will be cut by 70 per cent of those dealing with customers by 80 per cent. Eventually 70 per cent will face the customers. Bank branches will have to be re-designed to accommodate the switch.

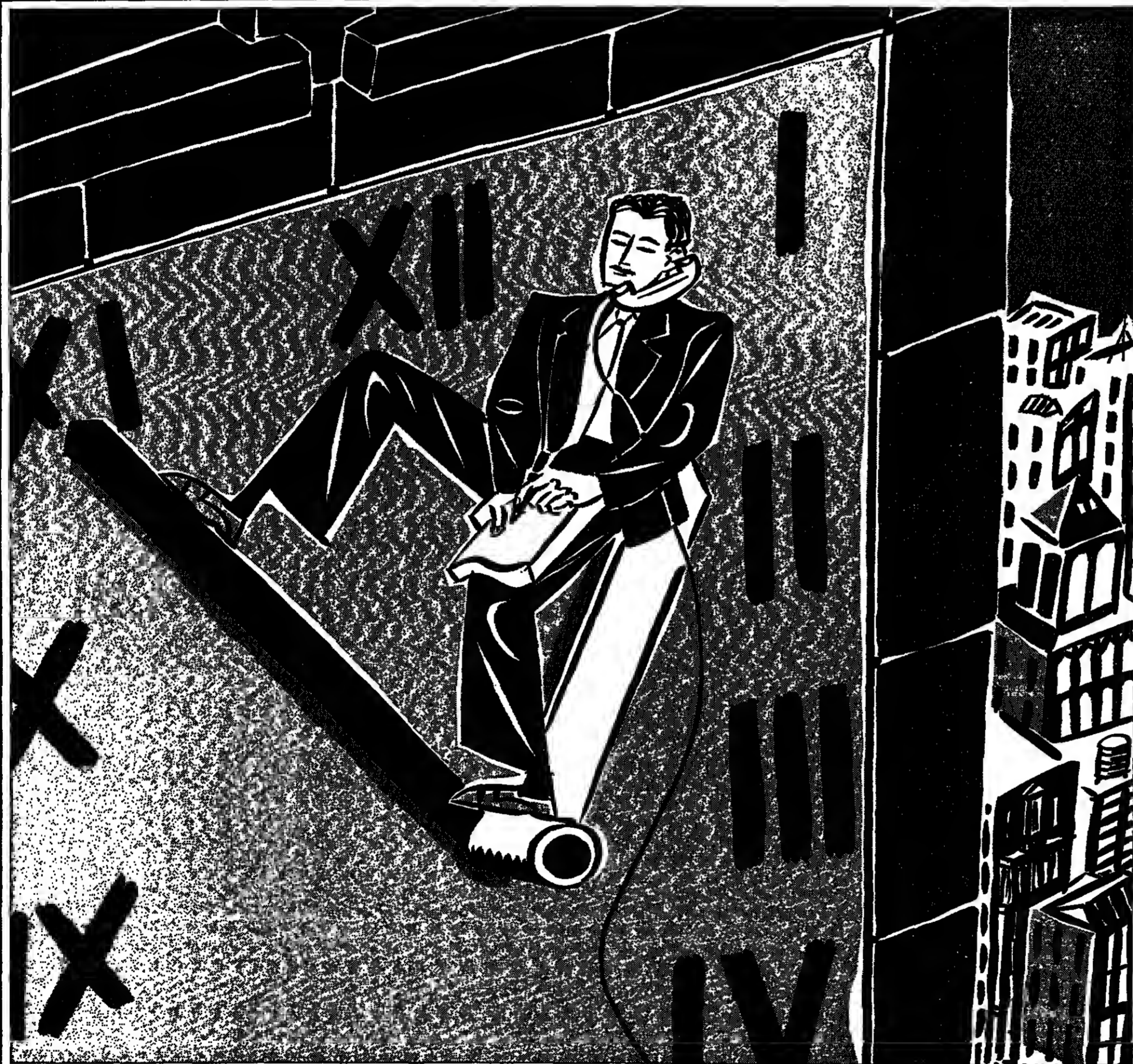
The system will be installed in back offices from May this year. Teller terminals will be

installed in the second quarter of 1990.

Mr Richard Cole-Hamilton, the bank's chief executive, said yesterday that any cut in staff caused by introducing the new system ought to be offset by a rise in the bank's business.

The new system, which the bank claims is the most up-to-date available in UK banking, is being supplied by three companies: Unisys of the US will provide the workstations and software in a contract initially worth £18m. Tandem Computers, another US company, will supply the mainframe computer in a contract worth £2m and Seel, a Scottish company, will supply the data communications network.

Clydesdale Bank was acquired by National Australia Bank in 1987 from the Midland Bank. It operates almost entirely north of the border but has ambitions to expand into England.



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UK NEWS

# Revised retail sales indicate sharp slowdown

By Ralph Atkins, Economics Staff

A SHARP downward revision in retail sales figures for January yesterday provided further evidence of a marked slowdown in consumer spending as Mr Nigel Lawson, the Chancellor of the Exchequer, puts the finishing touches to next week's budget.

Retail sales volumes fell by 2.4 per cent in January after adjustment for normal seasonal variations - the biggest monthly drop for two years, the Department of Trade and Industry said. Provisional figures had shown a 1.5 per cent fall.

Other figures showed consumers' appetites for credit abated in January, confirming a picture of a gradual slowdown since summer. The amount outstanding on consumer credit agreements increased by a seasonally-adjusted £22.4m compared with £22.8m in December.

The fall in retail sales encouraged hopes that base interest rates, pushed higher by Mr Lawson to slow spending, had peaked at 13 per cent. However, the Chancellor's determination to avoid increased inflationary pressures from a fall in sterling, appears to rule out an early cut in interest rates.

Figures for the three months to January, which give the best guide to the underlying trend, show sales volumes unchanged from the previous three month period. Compared with the corresponding three months a year before, sales were 4.4 per cent higher - down from peaks of 7 per cent in the summer.

London analysts said the figures were unlikely to increase

# Schroder raises £177m for buy-outs

By Charles Batchelor

SCHRODER Ventures, venture capital arm of Schroders banking group, has raised a £177m fund to invest in management buy-outs and buy-ins.

Schroder aimed to raise £100m but the popularity of buy-outs led to investors subscribing more.

In contrast, an attempt by Charterhouse, another venture capital group, to raise a £40m fund for investment in small bio-technology and health care companies in late 1988, raised only £35m.

The total raised by Schroder might have been higher but for publicity surrounding the £25m leveraged buy-out last December of RJE Nabisco, the US foods group, by Kohlberg Kravis Roberts, the buy-out specialist. This led to some potential Far East and US investors deciding not to back a buy-out fund, according to Mr Jon Moulton, managing partner.

Conditions for buy-out fund-raising in Britain are favourable - particularly for fund managers with a good record - although several US funds, which started to look for investors several months before Schroder began, are still short of their targets, Mr Moulton added.

Schroder intends to invest most of its money in the UK although up to 25 per cent may be spent overseas. This is Schroder's second buy-out fund. The first raised £75m and was launched in 1987. It still has £8m available.

The fund has been arranged as a combination of a UK limited partnership, three US limited partnerships and an offshore trust.

# Water industry adds up its assets

By Richard Evans

THE UK water industry is conducting its biggest ever assessment of the state of its assets and future investment needs in preparation for its November privatisation.

The vast amount of detail is needed by the Department of the Environment before fixing the industry's charges for the 10 years after privatisation.

Yesterday marked a key stage in the process when the department sent a discussion paper to the 10 authorities to be privatised and to the 29 statutory water companies already in the private sector, outlining the principles for setting the charges formula from April 1990.

As in the case of the British Gas and British Telecom privatisations, this will be based on the retail prices index (RPI) - the standard measure of price inflation - plus or minus a factor known as K. With

water authorities were being urged to seek rapid exemption of inefficient sewage works from pollution laws, the Labour Party claimed. Mr Jack Cunningham, environment spokesman, said the Government wanted to erase falling sewage works from the records before water privatisation.

He said this after receiving a Government letter to chief executives of English water authorities which urged water boards to apply for any sewage works they thought needed exemption from pollution rules.

water this will be a plus figure because of the scale of the investment required to bring drinking water and sewage outflows up to stringent European Community standards.

All preliminary figures on spending needs are due in from the industry by the end of March. There will then be a six-week period for the Department to study details. Proposed K values will be discussed company by company to ensure they will be able to carry out their functions.

The crucial K figure will then be finally determined and announced shortly before vesting day on September 1. It will be fixed separately for each authority and company and could vary from year to year.

The K figure will be decided at first by the Environment Secretary, but subsequently by the Director-General of Water Services, a post due to be filled by the end of March. It will run for 10 years, but could be subject to review after five years.

The evaluation will be done by the Environment Department with two consultants, Deloitte, Haskins & Sells on the K factor process itself, and

Binneys on the engineering aspects. With water, capital costs of engineering projects and capital spending will figure more prominently than in the case of gas or electricity.

Some figures will be challenged and the relative efficiency of the various authorities and companies compared before a K figure is agreed. Capital projects will also be studied to see how their timing fits with European Community requirements.

All known costs will be incorporated into the K formula, but when a new statutory obligation is placed on a company "cost-pass through" will be allowed, enabling the company to increase its charges. A formula will need to be worked out to produce a revenue used from the set of known and agreed costs, and giving a financial profile acceptable to investors.

# Virgin plans to expand long-haul air network

Virgin Atlantic Airways, owned by Mr Richard Branson, is planning a major expansion to confirm its position as the only British rival to British Airways on long-haul world scheduled air routes, especially for business class passengers, writes Michael Donnan.

Virgin Atlantic already flies from Gatwick (London) to New York (Newark) and Miami, and from May 1 will start services to Tokyo. In August, it plans to fly to Kennedy (New York). Next year, it plans flights to Los Angeles, Boston and probably also to Orlando in Florida.

Long term, the airline also has plans to serve Hong Kong, Singapore and Australia.

# Television set to capture larger slice of advertising

By Christopher Parkes, Consumer Industries Editor

TELEVISION will increase its share of the UK advertising market at the expense of the press and other media from 32 per cent in 1987 to 37 per cent by the end of the century, according to Satchi & Satchi, the international advertising and consultancy group.

At the same time, commercial TV airtime will continue to rise in real terms as demand outstrips supply.

The UK is becoming increasingly market-oriented, Satchi says in a study, Television to 2000, published yesterday. "It is increasingly important for anybody with goods or services to sell, or information to impart, to communicate directly with the consumer."

The group also expects all

advertising expenditure to continue to increase as a proportion of gross domestic product from 1.41 per cent in 1987 to 1.54 per cent. At constant 1987 prices, this implies a rise from £5.8bn to £9.3bn, with £3.5bn spent in the expanding TV market.

Satchi forecasts that 58 per cent of all households owning a TV set will receive satellite channels by 2000, and that the average viewer will watch for 4.5 hours a day, compared with less than four hours at present.

Commercial stations, including the proposed fifth channel, will increase their share of a growing, ageing and more sedentary audience from 50 per cent to 67 per cent, the study predicted.

# Low Pay Unit calls for lower tax band

By Ralph Atkins, Economics Staff

MR NIGEL Lawson, the Chancellor of the Exchequer, should introduce a reduced rate income tax band to help nearly 7m taxpayers earning less than the Council of Europe's "decency threshold", a report urges today.

The Low Pay Unit, the independent lobby group, also says that personal tax allowances should be increased by 15 per cent in next week's budget to reduce the tax burden of a couple on half average earnings to its 1978-79 level.

The group's budget submission, titled Great Expectations, proposes increasing the top tax rate from 40p to 50p in the pound. The reduced rate income tax band of 15 per cent should apply to the first £1,500 of earnings.

However, the group believes cuts in direct taxes are not the most efficient way of benefiting the poor. They help the wealthy disproportionately and, because Family Credit is based on after-tax incomes, cuts can be almost wiped out by benefit reductions.

It says that child benefit is of more benefit to the poor than either cuts in direct taxation or increases in personal allowances and should be increased by 15 per cent to £8.35 a week. This would restore its real value to 1979's level at a cost of £450m.

The Low Pay Unit says the

best news Mr Lawson could announce would be that the Government has plans to scrap Britain's minimum wage system.

The package of budget proposals, which would cost an estimated £5.45bn, also proposes abolishing the upper earnings on National Insurance Contributions.

The unit estimates that the number of people earning less than the Council of Europe's decency threshold, just under £150 a week, has risen from 7.8m to 9.9m in the past 10 years. Of those below the threshold, 6.6m pay income tax, contributing £4bn a year.

It argues that the large surplus in public finances should be used to ease "glaring inequalities" in the tax structure and take the low paid out of the tax net.

"No Chancellor has had a better opportunity to transform the taxation system for the benefit of the low paid," it says.

Of an estimated £20bn worth of income tax cuts in the past decade, almost a quarter went to taxpayers earning more than £50,000 a year, it says. Just 2 per cent have gone to those earning less than £5,000 a year.

Great Expectations: the 1989 Budget and the Low Pay Unit, Low Pay Unit, 8 Upper Berkeley Street, London W1H 8BY. £4.

# £9.7m for Irish fund

The International Fund for Ireland, set up by London and Dublin to promote reconciliation, received £9.7m from the Common Market Commission. The fund, established in 1986, aims to promote economic and social improvements.

**Teesside investment**  
Plans involving more than £11m of investment in projects related to the chemicals industry in the north east region of Teesside were unveiled yesterday. BAEF, the big West German chemicals producer, said it planned to spend £5m on a technical centre to investigate new projects and manufacturing processes. Separately, Foster Church Business Centres, a property developer, said it planned to spend more than £5m building office and laboratory space at the Belasis Hall technology park on Teesside.

**Doncaster venture**  
Doncaster's enterprise agency in the north east has broken new ground by launching its own £1m venture capital fund to help the growth of smaller businesses in the town. The fund will take equity stakes worth between £25,000 and £100,000. The agency has formed a public limited company to run the fund. The remaining £950,000 is being offered for public subscription. The fund will be the 15th local source of venture capital in Yorkshire, compared to only one seven years ago, and is expected to broaden the venture capital sector in the region.



## Windsong.

You're reluctant to leave the windsurfing.  
Your muscles are rather tired, but the splendour of the moment spurs you on. The crystal-clear sea slips past beneath you whilst the sun outlines your figure against the background of a sail aglow with colour.

An attractive coastline files past. So attractive that it sometimes distracts you almost to the point of making you lose your balance for an instant.

Perhaps, in a while, the idea of enjoying seafood with your friends in that restaurant by the sea, will make you drag yourself away from your surfboard for a moment. But, for now, you'd rather make the most of the unrivalled climate you've found in Spain.

You haven't enjoyed windsurfing so much in ages. Perhaps that's why, as the breeze pushes you along and the waves gently rock you, you seem to hear music. A happy tune hummed by the wind.

The lyrics of the song are simple: "Spain."

**Spain. Everything under the sun.**



From the beach your friends see you flash past. They can't see your face but they can guess that it's glowing with happiness.

# A vision for Teesside rises from the wasteland

Hazel Duffy continues a series on the activities and goals of regional development corporations

THE CLUSTER of neat business units nearing completion in a small part of the Teesside Development Corporation is more symbolic than their size and unremarkable architecture would suggest.

They are one of the first speculative commercial property investments to be undertaken by the private sector since the early 1970s. They are a measure of the first strappings of confidence on Teesside since the recession in 1980/81 swept through this part of north east England like a hurricane, leaving vast areas of wasteland in its wake, and some of the highest levels of unemployment in the country.

The acreage which was bestowed on the corporation in October 1988 by the Government reflects the scale of the devastation. It is the planning authority for nearly 19 square miles, making this by far the largest of the urban development corporations.

The corporation has set itself equally large-scale targets for economic regeneration of the area. "I expect £1bn to be invested and between 1,000 and 2,000 jobs to be brought into the area," says Mr Duncan Hall, chief executive.

Mr Hall, a native Teessider who retired from Corby to head the corporation, is a man with a mission. He has a vision of grandiose shopping and leisure developments which would become the new landmark in an area long dominated by chemicals, steel and heavy engineering.

He talks a lot about the confidence factor. The visit by Mrs Margaret Thatcher nearly 16 months ago, when she took her "walk in the wilderness of wasteland" has been very important in terms of confidence. Mrs Thatcher's short visit to the corporation is seen as a mark of her commitment to a new Teesside. Last June, the Prime Minister hosted a reception at her residence, No 10 Downing Street in London, to give leading businessmen a glimpse of what Teesside has to offer. Photographs of Mrs Thatcher and her accompanying messages project the theme in the offices and publications



of the corporation.

Despite this encouragement from the top, Teesside felt it necessary to adopt incentive tactics in order to translate the confidence into buildings on the ground. Two small but key projects - one of them in the enterprise zone - have gone ahead on the basis that the corporation has guaranteed a particular level of rental income to the private investors. The expectation is that the level will be struck, or even exceeded, by market demand. If that is the case, the guarantee will not be called upon.

The approval of the Treasury was required for the scheme.

While underwriting the risk, the corporation has ensured that it will be rewarded if the schemes are successful. Risk-reward tactics will mark the corporation's approach to future developments, a measure of the innovative lead which the management demonstrates.

"If we are underwriting projects for a period of perhaps three years, then we will expect a pay-back," says Mr Ron Norman, chairman, who runs his own development company in the north east. The methods will vary as commercial relations with developers and investors are built up. They might involve equity stakes. It is not so much control but a share in the profits that the corporation is looking for, however. This will enable it to do more in future.

The projected life for the corporation is seven years. In this period, it expects to receive about £200m in public funding. But a large part of this will go on land clearance and reclamation.

Three very large developments are being worked up in the Teesside area. The overall plan for the Hartlepool Marina has been approved. Here, the corporation is in partnership with the port authority and Lovell. Draft plans for offices, homes, specialist retail and leisure amenities on the former Head Wrightson engineering headquarters riverside site have been drawn up with Murray International as lead developer. Parliamentary approval is being sought for the construction of a £20m centre which will make the Teesside area a Stockton, and cover unsightly mud banks. And the old Stockton racecourse is to be redeveloped as a park and leisure centre by Brookmount.

These projects are ambitious. Some modifications might be expected. Whatever their final form, they will be an instrument in bringing confidence and jobs to an area which has been very depressed. But Teesside will always be predominantly industrial. Imperial Chemical Industries and British Steel have made huge cuts in their workforces over the past few years. The offshore construction industry on Teesside has been through difficult times, but it is recovering. Heavy engineering is still very important.

These industries will continue to dominate the economy of Teesside. The corporation recognises the importance of industry, and is encouraging the development of its area as an industrial centre as well as a place to shop and take leisure.

"Our objective is the economic recovery of this area," says Mr Norman. "We will always go for uses on a site which adds jobs to the area. We will not go for something short term which closes off something better for the longer term. Unemployment is the single biggest problem on Teesside. The yardstick must be, how does this suggestion help the unemployed 35-year-old in Stockton high street?"



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# Lessons from Venezuela

SERIOUS RIOTING last week in Venezuela has underlined the problems that can arise in even the most stable of Latin American democracies when governments try to implement austerity policies to cope with the debt crisis. The events in Venezuela, while reflecting in part economic mismanagement, spell out in the crudest of terms that the nature of the debt crisis has changed in the past six years. The emphasis has shifted away from the need to prop up the balance sheets of the commercial banks and to sustain the credibility of international financial institutions. Increasingly it is becoming a question of how Latin American governments can retain the fragile democracies when their economies are condemned to stagnation through a vicious cycle of austerity and an insufficient flow of external resources.

Perez has rightly resisted the temptation to exploit the rioting as an excuse to retract the austerity measures. It would be quite wrong for him or other Latin leaders to hide behind fear of a repetition of such events and duck their economic responsibilities. President Perez must also answer for the large loss of life; the Venezuelan security forces appear to have been ill-equipped for the social disorders which he and his fellow heads of state had warned were likely.

Latin American leaders have frequently warned that stagnant growth and declining living standards, when combined with the kind of austerity programmes demanded by the international financial community, are a socially explosive mixture. Until now, such warnings have tended to seem like crying wolf. The region's governments have, however, almost eight years of austerity with only occasional instances of violent social unrest. Nothing has approached the scale of last week's events in Venezuela nor the appalling loss of life.

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# The price of safety

MR PADDY ASHDOWN, the Social and Liberal Democrat leader, has accused the Thatcher Government of running down transport systems to "breaking point." He was speaking in the aftermath of the rail crash at Purley, Surrey, but before yesterday's collision of commuter trains in Glasgow. Mr Ashdown was undoubtedly expressing the thoughts of many ordinary rail travellers. The string of recent disasters, which includes the fire at King's Cross as well as the rail crash at Clapham, has prompted widespread concern that the Government's emphasis on financial efficiency, coupled with its reluctance to invest in infrastructure, is impairing safety standards. Such worries are understandable, but are they justified?

Conflict between profitability and health and safety standards has undoubtedly become more acute since the Industrial Revolution. Indeed, a concern for the safety of workers and the public lay behind much of the public-sector regulation of industry introduced in the 19th century.

Private sector The defence may also argue that loss of life has not been confined to publicly run enterprises. The ferry that sank at Zeebrugge was privately owned and operating in a competitive market. So was the Piper Alpha oil platform. If these and other accidents had been a common cause, it was certainly not expenditure restraint in the public sector. Nevertheless, to say that the private sector's record is as poor as the public sector's does not make the latter's more acceptable. In any case, critics may argue that similar factors are operating throughout the economy. The past decade has seen a resurgence of capitalist values: competition and the thirst for profits have been stimulated in all sectors. It would not be surprising in such circumstances if safety standards had slipped. A con-

Severe cuts In the case of rail and the London Underground there are specific grounds for concern. With hindsight, even ministers would probably agree that the investment cuts in the early 1980s were too severe. The Government is spending more now, but there are long lags in the system; today's safety standards are determined in large part by yesterday's expenditure decisions. The King's Cross fire would not have occurred if the Underground had replaced its wooden escalators earlier. The Clapham disaster might have been avoided if British Rail had invested in radios for drivers, which are common in other countries. The Purley accident, in which a train seems to have passed a red light, might not have occurred if Britain had invested in more sophisticated fail-safe equipment which is available on the Continent. There are also a host of more general factors at work. Most public sector organisations, including British Rail and the Underground, are experiencing great difficulties in attracting and retaining high quality staff. In such circumstances, staff morale and managerial efficiency are likely to be impaired, with obvious implications for safety standards. Managers are also having to cope with much higher volumes of passengers. The fundamental issue, however, remains the trade off between cost efficiency and safety. Officials may say safety has always been their top priority, but the recent disasters imply that the "bottom line" may sometimes have been a more pressing priority. In theory, unlimited sums could be spent improving safety standards. In practice, a line has to be drawn somewhere. The recent safety record of both the public and private sectors suggests a re-drawing of that line may be overdue.

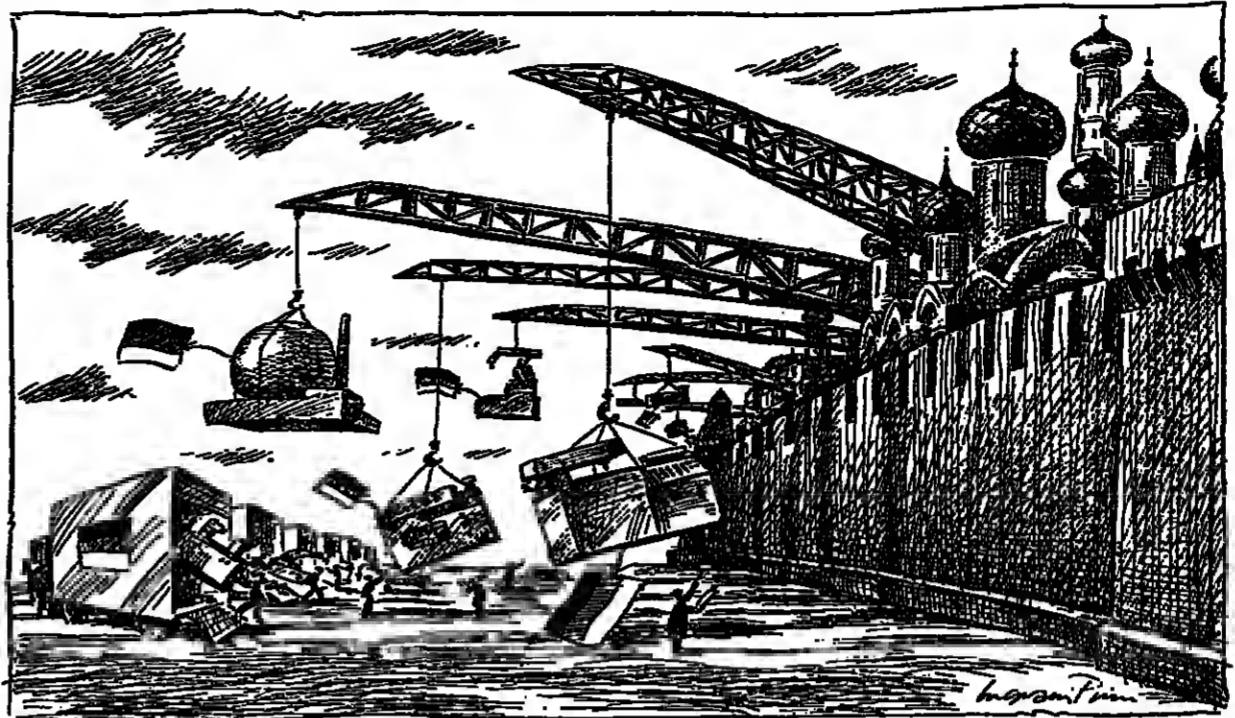
# David Marsh on West German enthusiasm for Soviet economic reform Profiting from perestroika

Karl Heinz Siepe, chairman of the Dortmund-based construction and mining machinery manufacturer Orenstein and Koppel, has been trying to trace what has become of O und K's long-lost Russian factory. Mr Siepe, one of the many West German executives keen to build up business with the Soviet Union, has been digging through the archives for details on O und K's railway equipment factory constructed in the 1890s in Petersburg, now Leningrad. The plant was expropriated in the Bolshevik revolution and was probably demolished in the Second World War battles, but its fate, and even its address, are a mystery.

The Federal Republic is by far the Soviet Union's leading trade partner in the West. Largely because of the fall in Soviet exports of energy products, the value of bilateral West German-Soviet trade has dropped in recent years. Although trade picked up again last year, West Germany's total Soviet exports and imports in 1988 made up only 1.6 per cent of German foreign trade. None the less, West Germany's total trade with the Soviet Union, running at around 25.4bn last year, is roughly equal to that of France, the UK and the US combined.

Expanded trade links, by supporting the general opening of the Soviet system, bring political and economic benefits for West Germany, but also possible pitfalls. The Federal Republic has become Moscow's main target in its bid to gain access to more modern technology. But the Soviet drive to tap West German know-how is worrying not only the US but also officials in Bonn's own intelligence services who are concerned about the possible military applications of such technology.

- After the doldrums of 1987, West German exports to Moscow surged 20 per cent last year as the Soviet appetite for specialised capital goods such as machine tools expanded sharply. The export total of DM 9.4bn (\$3bn) remained below the 1985 figure of DM 10.5bn, but a stream of export records in the last few weeks confirms a trend to more sophisticated exchanges of technology, above all in the factory automation field.
- Liebherr, the Baden-Württemberg engineering company, will build a new car engine works outside Moscow, in a deal involving overall investment of an estimated DM 1bn.
- Standard Elektrik Lorenz, the Stuttgart-based electronics group, now majority owned by Alcatel of France, will deliver a radio navigation system for controlling Aeroflot flights over Siberia.
- Eilat, the Kaiserslautern machine tool concern, will supply more than 5,000 machines for sewing shoes worth DM 55m.
- Werner und Pleiderer, a Krupp subsidiary, has landed a DM 300m contract to supply hicut-making machinery.
- West German companies have signed more than 20 joint venture



agreements with the Soviet Union out of about 120 concluded by Western companies. They include a Leningrad shoe factory set up by the Salamander footwear group, a crane plant established by Liebherr and a machine tool venture with the Düsseldorf Schless group, whose first deliveries to Russia go back to 1873.

### Parts of the nuclear and medical equipment deals will have to be vetted for possible military uses

Deutsche Bank, signed during Mr Kohl's October visit. The Soviet Union is proving slow in taking up the loan, partly because of poor organisation. It will be used, however, to support much-needed modernisation of the light industry and agriculture sectors - part of a process, according to Mr Alfred Herrhausen, chief executive of the Deutsche Bank, under which perestroika will show itself to be "irreversible". German businessmen believe the Soviet Union may now have turned the corner towards the future. Paying tribute to the new style of the men in charge in Moscow as "agile, smart, more dynamic," Mr Siepe of O und K says: "Previously, the leadership said they would solve the (economic) problem without asking what the problem was. Now they are analysing why the problem is there." He points to a "growing openness, a strong feeling that they need more management leadership and instruments to improve efficiency." O und K is exploring possibilities of co-operation which could lead to a

joint venture for manufacturing construction equipment. A key condition will be conclusion of an accord between Moscow and Bonn on protection of German investments in the Soviet Union, to be sealed during the return visit of the Soviet leader, Mr Mikhail Gorbachev, to Bonn in June.

Mr Harald Simon, partner at the Munich-based Roland Berger management consultants, which is carrying out two projects to improve efficiency and trim costs at the 20,000-employee Leningrad metal works grouping, also highlights the change in attitudes. Under a preliminary contract worth DM 1m, Roland Berger, now majority owned by the Deutsche Bank, is advising on improving the efficiency of large turbine factories. Mr Simon underlines the importance of giving on-the-job training to top Soviet managers. He describes them as "relatively open" but almost entirely engineering-oriented rather than market-oriented. "We were totally surprised by the openness with which they are ready to talk about forms of capitalism," he says. "We were ready for discussions about the difference between the market and the planned economy. But perestroika is so deeply embedded in their heads, that they just want to be told how to do it."

Mr Eberhard von Koerber, chairman of the ABB German subsidiary, based in Mannheim, was in Moscow to sign the deal. He sees in the Soviet capital "a major and totally new push to create private property, to think in terms of incentives and individuals rather than of a system worked by instructions and planning from the top." But President Gorbachev faces a race against time. "The question is whether the process of democratisation will create chaos before it gets better, or whether the Soviet Government will be able to fill the shelves with food," says Mr von Koerber.

### West German trade with the Soviet Union equals that of France, the UK and the US combined

with the challenge. "We are top of the queue." Mr Hans-Gerd Neglein, Siemens board member for sales, is responsible not only for the HTR deal but also for another technology transfer agreement. This involves Siemens's help for the Soviet Union to build sophisticated medical equipment such as computer tomographic scanners and dental apparatus. Mr Neglein points to the need for Mr Gorbachev to give the Soviet population "something visible" to show that reform is working. He says the Russians want to build up local content and start exporting production from the medical equipment factories within three or four years. But he is wary of hasty decisions, which have, in the past, stymied Siemens's efforts to set up a joint venture for servicing medical apparatus it sells to the Soviet Union.

## Krokodil fight

The fate of the "groot krokodil", or big crocodile - as the South African President, P.W. Botha is now being called in public - is having to compete for the local headlines with a bizarre three-in-a-bed sex scandal. The latter involves a wealthy Afrikaner red-head charged with the murder of her husband and the attempted murder of the "escort agency" call girl she allegedly hired as a birthday present for her late spouse.

Botha is now being called in public - is having to compete for the local headlines with a bizarre three-in-a-bed sex scandal. The latter involves a wealthy Afrikaner red-head charged with the murder of her husband and the attempted murder of the "escort agency" call girl she allegedly hired as a birthday present for her late spouse.

## OBSERVER

brief if de Klerk comes out on top. By Friday we should know.

### Poor cows

As if it does not have enough on its plate, the Ministry of Agriculture has just put out a number of glossy, green-outlined leaflets on Nuclear Accidents and the Farmer. "Livestock," runs the advice, "are generally less sensitive to radiation than are humans and their shorter lifespan makes the risk of cancer much less significant to them. Further, any attempt to move livestock in the short timescale of an emergency evacuation could seriously impede the crucial task of getting humans to safety quickly. IT IS ONLY PEOPLE - NOT ANIMALS (EXCEPT HOUSEHOLD PETS) - WHO WILL BE EVACUATED."

### Familiar face

British-Nigerian relations get closer and closer. Margaret Thatcher is making a special stop in Lagos for talks with President Ibrahim Babangida during her African trip at the end of the month. She was in Nigeria last year and the President is due to pay a state visit to Britain in May.

### Crocodile joy

Strasbourg has received a gastronomic boost from Michelin in its desperate campaign to cling on to the European Parliament. The big novelty in the 1989 edition of the Michelin Red Guide, the bible of "haute cuisine", is the elevation of Le Crocodile in Strasbourg to three-star distinction.



"If we all went round running up huge budget deficits, where would we be?"

With its new status and its specialties including "confite Brillat-Savarin" and "gratin de langouste", Le Crocodile may help dissuade Euro MPs from moving from the Parliament to Brussels. During the last few months, the Austrian capital and the French Government have launched a last-ditch, emotional campaign to prevent the transfer.

Another musician, who lives in the shadow of Salisbury Cathedral and might have some influence, is the former Prime Minister, Edward Heath.

### Water Music

The Salisbury Festival is looking for mass appeal among the community this year. To make sure that everyone in Salisbury knows it is going on from September 2 to 16, Simon Halsey, the artistic director, is bringing in 700 local children to take part in Noye's Fludde by Benjamin Britten, which is to be recorded by Virgin Classics. "Every child in the area who can play a string instrument will be on a gramophone record," said Halsey yesterday.

The Festival theme is rather topical. It is "Water". Friends Provident is putting up £100,000 over three years in sponsorship. Lord Jenkin of Roding, a former Industry and Environment Secretary who now chairs Friends Provident, says that it is a better way of using an insurance company's money than sponsoring cricket matches that are invaded by hooligans.

One day the Festival might like to use Stonehenge, just 10 miles up the road. Sir John Tooley, the former general director of the Royal Opera House and now president of the Festival, says: "Some do dream of doing Normas at Stonehenge."

Confusing A middle-aged lady told her psychiatrist that she was very upset by his indifference to her. "You shouldn't treat Marie Antoinette that way!" she said. "Last week you said you were Helen of Troy," he reminded her. "That," she replied, "was by my first husband."

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LETTERS

Great expectations

From the Secretary of State for Social Security. Sir, I thought it might be worthwhile replying to Joe Rogaly's Politics Today article ("A kinder, gentler budget surplus," January 20).

Much of the first half of the article considered John Hills' pamphlet Changing Tax, a statistical exercise applying the tax package of 1978-79 to the wealth created since that date. I do not recall that date, but I was either particularly kind or gentle. Nor does a glance at Social Trends (which is also mentioned) suggest that the nation's welfare was much improved by Labour's overall management of the economy.

Under this Government, and on the same definition (which excludes supplementary benefit and housing benefit for couples with children and includes child tax allowances) real profits dropped in real terms from 1978-79 to 1985-86, a real reduction of 7.3 per cent.

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Doomed to succeed

From The Editor, Soviet Weekly. Sir, Your editorial entitled "The perils of perestroika" (February 23) laboriously enumerated some of the difficulties and problems of the Soviet economy. There is no need to argue about that.

Yes, the problems are there. But the author seems to completely ignore such an important element as the new climate created in the Soviet Union by the perestroika process. He seems to dismiss the new value steadily, albeit painfully, brought into our life by the notions of glasnost and demoralisation which have gradually started to change the economic culture created in the Soviet Union over seven decades.

Another vivid example is the recent opinion poll in one newspaper offering people the absurd and meaningless choice between expanded spending on public services and lower taxes.

At the other end of the City, St Botolph's, Aldgate, exercises an astounding ministry to all those who are not residents because they are the City's homeless. In so doing, St Botolph's makes a dramatic and prophetic gesture which awakens one's liberal conscience.

A model UK

From Mr R.F. Gray. Sir, David Lascelles' article "Euromarkets face uncertain fate" (March 1) referred to the view that, as capital controls are removed, the raison d'être of an offshore market goes too.

The Eurobond market today is dominated by institutional investors and the Euromarket is the third largest bond market in the world, capitalised at \$1.2 trillion.

The trouble with such arguments is that they work equally well both ways. If foreign pressure is counter-productive, as references to the larger mentality seek to imply, then any kind of foreign embrace might well be fatal to Mr de Klerk.

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FOREIGN AFFAIRS

Arguments that work both ways

Edward Mortimer examines the case for a change in Britain's policy towards South Africa

Recent news from South Africa emphasises divisions within the white and black communities, rather than between them. On the Government side, a new leader of the ruling party promises reform and suggests a "great indaba" of leaders from all races to discuss the country's problems.

Perhaps it was not the best moment, tactically, for the British Council of Churches (BCC) to come out with a carefully argued case for a new British policy towards South Africa, as it did last week.

As for the power struggle within the National Party, that will no doubt be seized on by the British Government and its supporters as one more argument for sticking to their present policy.

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developments within South Africa to the actions of any one foreign government or group of governments. Mrs Chalker quoted Ronald Reagan, former US President, as saying that the 1986 Comprehensive Anti-Apartheid Act - a sanctions package on which Congress voted to override his veto - had "reduced US leverage, hardened the South African Government's determination to resist outside pressure, and increased the appeal of ultra-conservative movements".

The same applies to South Africa's decision to pull out of Angola and (apparently) to grant independence to Namibia. Is this a victory for US "linkage" for Cuban military aid, or for superpower confrontation? The answer may be that all three were necessary.

It may be true that economic change will inevitably produce political change, though it is odd to hear a Conservative British Government reiterating such a Marxist historicist assertion. But if it is true it is most unlikely that economic change will take the form of a steadily ascending curve.

It is difficult for either side to win this argument because there is no obvious way of attributing any given set of

The worst aspect of an oppressive system is that, sooner or later, the oppressed turn on each other

paper last week. Although she complained of a "rather distorted description of our policy" in the paper and said that she was going to "set the record straight," there does not seem to be any disagreement about what British policy is.

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In the courts

From Mr Michael Beckman QC. Sir, Lord Benson's well-reasoned article "A sacrifice to competition" (March 1), has an apt title. However, would it be unreasonable to suggest that the subject under discussion could also be entitled "A sacrifice in the interest of economy to the detriment of the ordinary member of the public or is that too cynical?"

From Mr M. Dutchman-Smith. Sir, Lord Benson's concern for the independence and integrity of the judicial system is commendable. However, perhaps he could explain how this objective is best achieved by allowing a small professional body of five self-selecting members the virtually unfettered discretion to determine who shall be allowed to appear as advocates in the higher courts and thus be available for consideration for appointment to the Judiciary.

From Mr John Coles. Sir, Referring to the article entitled "The Great British Food Debate" (February 28), I wish to make the following points regarding information which has been included in this article.



Genius Loci

From Mr Gilbert Hoplay. Sir, The "Genius Loci" correspondence (Letters, March 2 and 3) rightly affirms the symbolism of the City churches, but it is wrong in perpetuating the assumption that they are empty and silent: the ones that I know are anything but.

This is not true. Disease does not spread rapidly among hens reared in close proximity (that is, the battery system). The reverse is true. Of those salmonella outbreaks which have been traced back to eggs as a possible source, a disproportionate percentage have been traced back to free range eggs.

Local benefits

From Mr Hugh Williamson. Sir, As Kevin Done pointed out in his article on the "horsey issue" of local content in Japanese cars built in Europe (February 27), there is confusion over what are commonly acceptable standards, and how to define and measure local content.

At the other end of the City, St Botolph's, Aldgate, exercises an astounding ministry to all those who are not residents because they are the City's homeless. In so doing, St Botolph's makes a dramatic and prophetic gesture which awakens one's liberal conscience.

Of battery hens is half that of free range hens. The article says that the parliamentary committee's hearings highlighted the way disease can spread in hens reared in close proximity. The committee's hearings did not highlight this.

Tulip Computers advertisement featuring a computer monitor and keyboard, with text: 'This European does the work of 4 Americans, 3 Koreans and 2 Japanese.' Includes contact information for Tulip Computers.

Vertical text on the left margin: 'reform ka', 'excellence', 'The cleanest way to rear a hen'







INTERNATIONAL COMPANIES AND FINANCE

Sime Darby advances 'all-round' in first half

By Wong Sulong in Kuala Lumpur

SIME DARBY, the Malaysian conglomerate, has attributed a strong first-half performance to an "all-round improvement in profitability of the group, with plantations, heavy equipment and the Hong Kong operations leading the way."

Investment income also rose substantially, reaching 21m ringgit (US\$7.7m), reflecting the contribution from its 7.4 per cent stake in the London-based Harbours and Docks, acquired from the Malaysian state-controlled Permodalan Nasional last year.

At the weekend Sime reported a 69 per cent increase in post-tax profits to 282m ringgit for the six months to December on turnover which rose 31 per cent to nearly 2bn ringgit.

Profit after tax and minorities rose 113 per cent to 136.5m ringgit, and the group is increasing its interim dividend to 5 cents per share from 4 cents.

Of Sime's listed Malaysian subsidiaries, Consolidated Plantations recorded an 84 per cent increase in after-tax profits to 46.1m ringgit on turnover up 14 per cent to 331m ringgit. The strong profits were attributed to much higher prices of palm oil and rubber, particularly rubber latex.

Tractors Malaysia, another subsidiary, showed a third successive year of recovery, reporting an increase of 11 per cent in net profit to 16.4m ringgit. The interim dividend is unchanged at 12.5 cents.

United States Projects, the property arm, had net profits of 3.5m ringgit on turnover of 67m ringgit, a 3 per cent decline in turnover of 3 per cent to 67m ringgit. No interim dividend is proposed.

NAB in fresh approach to NZ bank

By Dai Hayward in Wellington

NATIONAL AUSTRALIA Bank (NAB), in association with New Zealand's Government Life Insurance Company, has renewed its attempt to buy Bank of New Zealand, the state-controlled banking group which the Wellington Government wants to privatise.

It has asked to examine the books in a "due diligence" process before submitting a new bid. Although NAB has been interested in buying the 57 per cent Government shareholding in BNZ ever since it was offered for sale last year, it did not offer a high enough price when bids were considered by the Government.

In December the Government withdrew the bank from sale, but it is believed the

authorities may now have encouraged NAB to make a fresh approach.

Mr David Caygill, Finance Minister, is anxious to sell BNZ as quickly as possible, although additional bids and losses revealed in February, following the collapse of Mr Allan Hawkins's Equicorp investment group, appeared to make any immediate sale unlikely.

However, the Government is anxious to reach its target of NZ\$2bn (US\$1.2bn) in asset sales this financial year. Even if the actual sale price has not been received, Mr Caygill says agreement to buy would be

regarded as being part of the NZ\$2bn.

Directors of BNZ have been meeting to discuss whether they could reveal to NAB or to other potential buyers what had been previously regarded as confidential information.

NAB is anxious to increase its market share in New Zealand, where it and Government Life already have a small joint financial operation. NAB has as its target a 10 per cent share of the retail banking market within five years.

NAB has moved to establish a presence in New Zealand since it obtained a banking licence after the country's banking sector was opened up

to foreign institutions two years ago.

ANZ Bank is buying 25 per cent of General Finance & Securities, a Thai finance company. AP-DJ reports from Melbourne.

It did not disclose the price for General Finance, which it described as the largest non-bank-affiliated finance and securities trading company in Thailand. Assets at the end of 1988 were 3bn baht (US\$119m).

Schroders Australia, an investment bank owned by Schroders of the UK, said profits were up 20.5 per cent to A\$7.1m (US\$5.8m) last year. Total assets increased to A\$32m from A\$26m.

Safren lifts half-year profit 37%

By Jim Jones in Johannesburg

INCREASED FOREIGN trade volumes and higher revenues from casinos lifted sales and profits of Safren, the South African shipping, gambling and transport group, by 37 per cent in the six months to December.

It expects satisfactory profits in the current half and has warned shareholders of possible problems in Transkei where Mr Solomon Kerzner, a director, bribed a former prime minister. Mr Kerzner has resigned from the boards of Safren and its subsidiaries.

Consolidated turnover rose to R1.66bn (\$663.7m) from R1.23bn, the interim operating profit before interest, depreciation and tax rose to R246.6m from R203.5m and the pre-tax profit increased to R276.8m from R169.7m.

Sam Bopha thatwana, the casino operating subsidiary in the black "homeland," lifted revenues and profits strongly. However, Transkei Sun, which faces legal action following Mr Kerzner's admission that he had bribed Chief George Mantsizima, registered a slower growth.

Safren's first-half net earnings rose to 172 cents a share from 124 cents and the interim dividend has been lifted to 45 cents from 36 cents. Last year's full earnings were 298 cents from which a special dividend of 135 cents was paid.

Cable group buys share in hotel

By Michael Murray in Hong Kong

PACIFIC ELECTRIC Wire and Cable, a Taiwanese listed conglomerate, has moved into the booming Hong Kong hotel sector with the HK\$833m (US\$106.8m) purchase of a half share in the luxury Conrad International Hotel, which is under construction and scheduled to open next year.

The stake is being acquired from Swire Properties, which is reducing its holding in the project from 40 per cent to 20

per cent, and Conrad International Investment Corporation, which is selling half its 60 per cent stake.

On completion the hotel will be managed by Conrad International Hotels, the international operating subsidiary of Hilton Hotels of the US.

The hotel is one of three included in the Pacific Place development on the fringe of the territory's central district being undertaken by Swire Properties, a wholly owned

subsidiary of Swire Pacific. The nearby Marriott opened its doors to its first guests last week, while the Shangri-La is scheduled to open next year.

Pacific Electric is the largest manufacturer of cable and wire in Taiwan, and has diversified into construction, department stores, leisure and leasing activities. The group recently acquired eight Texan savings and loan companies for US\$37.5m.

ENKA İNŞAAT VE SANAYİ A.Ş. U.S.\$ 25,750,000 Multipurpose Credit Facility. Arranged and Managed by Bayerische Hypotheken- und Wechsel-Bank Aktiengesellschaft. Provided by Bayerische Hypotheken- und Wechsel-Bank Aktiengesellschaft, Postipankki Ltd., Gotobanken, Ost-West Handelsbank AG, Krefeldbank N.V.

Ashton plans rights issue and maiden dividend

By Kenneth Gooding, Mining Correspondent

ASHTON MINING, the Australian diamond and gold group, yesterday announced flat profits for 1988, a first-ever dividend and a one-for-three rights issue to raise A\$66m (US\$33.7m).

Officials said the cash would be used to help fund Ashton's share of the expansion of the Argyle diamond mine in Australia in which it has a 38.2 per cent stake.

It would also go towards retiring debt taken on last year following the full acquisition of Hill Minerals and a 47 per cent shareholding in Carr Boyd Minerals, two Australian gold producers.

These acquisitions would more than treble Ashton's share of gold production this year to 75,000 troy ounces.

Ashton, which is 46 per cent owned by Malaysia Mining

Corporation, said its equity-accounted net profit last year was A\$25.5m compared with A\$25.34m in 1987.

Sales totalled \$111.36m against \$98.36m. A 6 cents a share dividend will be paid or shareholders can take instead a one-for-15 bonus issue.

Sir Leslie Proggatt, Ashton chairman, said diamond production at the Argyle mine rose by 14 per cent to 34.5m carats last year. However, the rise in the value of the Australian dollar substantially reduced earnings.

Argyle plans to spend about A\$37m reworking and redeveloping alluvial reserves.

This is expected to lift ore throughput from 4.7m tonnes a year to 6m tonnes and add an estimated 2m carats to diamond output by the middle of 1990, Sir Leslie added.

adding: "The next trough will be much higher, and may not be much lower than the previous peak."

By contrast, Boral's US operations, centred in the depressed home building sector and also hit by the stronger Australian dollar, fell 22 per cent to a net profit of A\$21m. The company was none the less looking at other acquisitions there and in Continental Europe, Mr Kean said.

Spicers Paper, a fine-paper maker 45 per cent owned by James Hardie Industries of Australia, has agreed to buy Fraser Paper, a US fine-paper merchant. This completes Spicers' distribution network across the West Coast of the US, adding outlets in Portland and Seattle.

Boral earnings rise 50% on back of building boom

By Our Financial Staff

BORAL, the Australian building products group, achieved a 50 per cent boost in profits for its first half to December, fuelled by a domestic construction boom which Mr Bruce Kean, the chief executive, acknowledged yesterday had peaked.

Profits were A\$150.1m (US\$122m) compared with A\$100m as sales grew to A\$1.79bn from A\$1.38bn. The interim dividend is being pushed up to 14 cents a share - fully franked for tax purposes and including a 4 cent payment to absorb all such benefits available. In the previous first half 9.5 cents was paid.

Mr Kean said housebuilding activity should "remain high for quite some months."

NOTICE TO HOLDERS OF GOULD INC US\$375,000,000 - 17 3/4% Notes Due 1995. Notice is hereby given that Gould Acquisition Corporation (the Corporation), hereby calls for the redemption of certain notes of Gould Inc. (the Notes) held with and by Gould Inc. (the Issuer), pursuant to a certificate of redemption and tender coupon dated November 1, 1988.

THE NAME BEHIND THE NAMES. TESCO PLC SLOUGH ESTATES. Arranger of £22m mezzanine finance being part of the funding package for the acquisition of three retail shopping developments. January 1989. Ladbroke Group PLC. Arranger of £600m Multi-Option Facility. December 1988. McDonald's Corporation. Lead Manager 10 3/4% £50m 10 year Eurobond. January 1989. BRITISH SUGAR plc. Underwrote and placed £150m, in two £75m tranches, of 10 3/4% Redeemable Debenture Stock 2013. November 1988. BARCLAYS de ZOEETE WEDD.



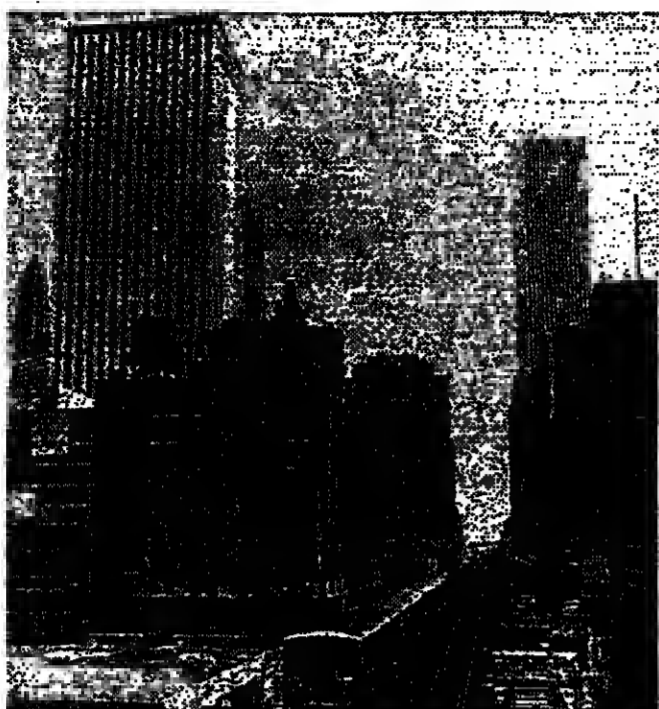


INTERNATIONAL COMPANIES AND FINANCE

Investors rush to book a seat on Illinois Central

Deborah Hargreaves looks at prospects for a US railroad group

AT THE beginning of the year when Illinois Central Transportation was spun off from its consumer product group parent, the Midwestern railroad had little inkling of how hectic life in the public domain would prove.



Railroads run through the heart of Chicago, the windy city

It has been full steam ahead for the company's shares as suitors raced to show an interest in the company. The 127-year-old railroad, which employed Abraham Lincoln as a lawyer and the legendary "Casey Jones" who drove his Cannonball Express, has seen its share price almost double to \$21 in hectic trading.

The offer was shortly followed by a disclosure from the Illinois grain conglomerate Archer Daniels Midland, that it is seeking to raise its stake in IC to 25 per cent, after steadily acquiring 9.8 per cent of the company's shares since the flotation.

short rail line it bought from IC in 1986 which makes it think it can do the same for IC MidSouth, which now operates 1,200 miles of track in the Gulf states, has been rated one of the most efficient small railroads in the country.

Bank Julius Baer profits down 6% as commission income drops

By John Wicks in Zurich

THE ZURICH-BASED Bank Julius Baer reported a 6 per cent fall in net earnings last year from SF39.5m to SF36.9m (\$23.4m) due to a decline in income from commission.

Despite this drop, it is intended to pay an unchanged dividend of 19.5 per cent to its parent company Baer Holding on an increased share capital of SF125m (1987: SF115m).

Baer Holding itself, a family-controlled company in which Union Bank of Switzerland owns less than 7 per cent, reports a 7 per cent decline in consolidated net profits from SF5.25m to SF4.8m (up 15 per cent).

The consolidated balance sheet rose by 17 per cent last year to SF5.62bn, of which the Zurich bank, together with its London and New York branches, accounts for SF3.85bn (up 15 per cent).

Bank Julius Baer experienced a drop of 16 per cent in net commission income to SF124.6m (1987: SF145.9m) in the wake of low stock-exchange volumes, while net interest income improved 19 per cent from SF28.5m to SF31.3m.

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Table with columns: EACH WEEK, 13 WEEKS, 26 WEEKS, 52 WEEKS. Rows: 2 GAMES, 4 GAMES, 6 GAMES. Prices in U.S. funds.

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CREDIT CARD NUMBER field.

CARD EXPIRATION DATE

Form for payment method: MAKE CHECK OR BANK DRAFT PAYABLE (IN U.S. FUNDS) TO: THE UNITED STATES TICKET AGENCY. Includes VISA and MasterCard logos.

Large advertisement for NOMURA BANK (SWITZERLAND) LTD. featuring a dark background with the bank's logo and name in large, bold letters.

Advertisement for Nomura. Text: THERE'S A SIDE TO NOMURA KNOWN ONLY TO A VERY FEW. A PRIVATE SWISS BANK WHICH CAN DRAW ON NOMURA'S WORLDWIDE RESOURCES. IT GIVES US A VERY SPECIAL ABILITY TO IDENTIFY OPPORTUNITIES AND MINIMISE RISK.

FT GUIDE TO WORLD CURRENCIES

The table below gives the latest available rates of exchange (rounded) against four key currencies on Monday March 6, 1989...

Table with columns: COUNTRY, S. STG, US \$, D-MARK, YEN. Lists exchange rates for various countries including Argentina, Australia, Austria, etc.

Special Drawing Rights March 3 1989 United Kingdom £0.763605 United States \$1.31524 Germany West 2 Mark 2.45675 Japan Yen 148.011

Abbreviations: (a) Free rate; (b) Banknote rate; (c) Commercial rate; (d) Controlled rate; (e) Essential imports; (f) Financial rate; (g) Export; (h) Non-commercial rate; (i) Business rate

INTERNATIONAL CAPITAL MARKETS

SIB may tighten up rules on 'soft' commissions

By Norma Cohen

THE SECURITIES and Investment Board, responsible for the regulation of the British securities industry, yesterday suggested further curbs might be necessary on the payment of 'soft' commissions...



David Walker: heading an organisation under fire

The SIB, headed by ex-Bank of England official Mr David Walker, said the rules had been criticised for not spelling out specifically what services do help fund managers make investment decisions...

The use of soft commissions has become an increasingly bitter issue in the securities industry as the volume of stock exchange business has fallen...

An investor turns his funds over to a professional manager, adding a small management fee on top intended to cover overhead and profit...

TRADE INDEMNITY CREDIT RISK MANAGEMENT SERVICES 01-739 4311

COMPANY NOTICES: FIDELITY INTERNATIONAL FUND Societe d'Investissement a Capital Variable 13, Boulevard de la Foire, R.C. Luxembourg B 25054

C. ITOH AND CO., LTD OSAKA, JAPAN NOTICE OF THE RESOLUTION OF THE BOARD OF DIRECTORS CONCERNING THE ISSUANCE OF NEW SHARES

FINANCIAL TIMES GUIDE TO UNIT TRUSTS by Christine Stopp Why should you become a unit trust investor? Will a unit trust perform better than a building society account?

FT INTERNATIONAL BOND SERVICE. Lists latest international bonds for which there is an adequate secondary market. Includes columns for US DOLLAR STRATEGISTS, YEN STRATEGISTS, SWISS STRATEGISTS, POUND STRATEGISTS, and CONVERTIBLE BONDS.

The prices over the past week were supplied by Reuters (Frankfurt International); Credit Suisse (Geneva); J.P. Morgan & Co. (London); Deutsche Bank AG (Frankfurt); etc.

INTERNATIONAL CAPITAL MARKETS

Consumer spending drop triggers rally in gilts

By Katharine Campbell in London and Karen Zagor in New York

UK GILT-edged securities rallied yesterday, buoyed initially by a firmer currency and helped further by gathering evidence that consumer demand is slowing.

GOVERNMENT BONDS

The benchmark 11% per cent Treasury stock due 2003-2007 opened 1/4 of a point firmer and was trading almost half a point up at 117 1/2 after revised retail

sales figures for January showed a 2.4 per cent drop after the earlier preliminary 1.5 per cent decline.

Traders, if not economists, believe this gives confirmation that UK Chancellor of the Exchequer Nigel Lawson's high interest rate policy is working to dampen inflationary pressures, and allowed the gilts market to put aside worries of a further base rate increase, at least for a while.

Sterling continued to strengthen during the afternoon, towards DM1.19 at one point, helped along all day by the memory of Bank of England intervention last week and by the knowledge that the central bank can draw on considerable reserves to support the currency.

Technical DAILY/ATLAS Price Summary

plunge firmer, with limited retail interest reported but, as this subsided, prices again eased 10-15 basis points later in the day.

The purchasing managers' report for February released yesterday was virtually unchanged at 53 per cent from January's level of 53.2 per cent.

At mid-session prices were quoted as much as 1/4 of a point higher. The Treasury's benchmark long bond was quoted 1/2 higher at 9 7/8 yielding 9.103 per cent.

The dollar was stronger in New York, trading at \$2.85, up from an overnight low of \$2.83.

The market is now waiting for employment data due out on Friday morning.

Economists are expecting the rate of job creation to slow down.

BENCHMARK GOVERNMENT BONDS

Table with columns: Coupon, Red Date, Price, Change, Yield, Week Ago, Month Ago. Rows include UK Gilts, US Treasury, Japan, Germany, France, Canada, Netherlands, Australia.

CPR starts European expansion in London

By David Lascelles, Banking Editor

COMPAGNIE PARISIENNE de Reescompte, France's largest discount house, is seeking a partner in London to expand its international operations.

Mr Henri Cukierman, chairman and chief executive, said yesterday that the company had a venture in mind that it was too early to say what form it would take.

Until now, CPR's main overseas operation has been a subsidiary in New York. CPR specialises in money market operations, gold bullion and foreign banknotes.

Danish fund to be based on FT World Index

By Xueling Lin in Copenhagen

PRIVATINVEST, the Danish mutual fund group, is launching a fund based on the FT Actuaries World Index of 200 to 250 shares.

The fund will be adjusted two to four times a year, with no currency hedging. The difference in yield between the portfolio and the FT World Index is not expected to vary more than 2 per cent.

Trading slows ahead of US data

By Andrew Freeman

ACTIVITY on Eurobond markets dropped sharply yesterday, with many institutions reluctant to commit funds before the US unemployment figures due on Friday, and prices were largely unchanged.

J.P. Morgan took advantage of Friday's late rally on the Canadian Treasury market to

INTERNATIONAL BONDS

launch a C\$200m deal for IBM Canada. The five-year bonds carry a 11% per cent coupon and were priced at 101 1/4 to yield 32 basis points over the 10% per cent 1994 government bond.

Bidding for the mandate was fierce, with a wide range of bids reflecting a lack of conviction among Eurobond houses that investor demand for Canadian

dollar paper would support an issue.

Several houses commented that the terms of the deal were tight, but yesterday's good performance by the underlying government bond markets helped its reception.

The lead manager reported good demand from a range of investors and was quoting the bonds at less 1.25 bid.

An AS\$200m deal for the Council of Europe Easementment Fund was launched by Bankers Trust International.

The borrower can redeem the principal and coupon in either Australian or US dollars at US\$0.79 per Australian dollar.

This structure was seen on a series of similar issues two weeks ago.

In Switzerland, Friday's SF125m issue for Heron International was increased yesterday to SF150m.

The Helvetia Industrial Development Bank DM150m deal was quoted at less 1.1 bid, well within fees at its high yield over domestic

issues.

After the close of London trading yesterday, a Credit Suisse First Boston official confirmed that the firm had

been unable to pay any underwriting fees on its Ecotom issue for Toyota Motor Credit Corporation.

The issue was subjected to a three-week short squeeze when some co-managers and traders sold bonds they did not own.

CSFB told co-managers that the fees were unlikely to be paid due to losses incurred during stabilisation of the deal.

An official said that the syndicate account still owned most of the Toyota bonds, adding that unless market conditions altered dramatically the firm would exercise its right to withhold fees.

NEW INTERNATIONAL BOND ISSUES

Table with columns: Issuer, Amount in US\$, Coupon, Price, Maturity, Fees, Book number. Rows include Canadian Dollars, Australian Dollars, Sterling, US Dollars, Swiss Francs.

Niugini seeks to raise A\$70m-A\$100m

By Kenneth Gooding, Mining Correspondent

NIUGINI MINING, the Australian group, is seeking shareholders' permission to raise between A\$70m and A\$100m (US\$70m and US\$100m) to help finance its 20 per cent share of the development of the Lihir Island gold deposit in Papua New Guinea, believed to be the

largest of its kind outside South Africa. The company wants to place 20m shares and options to broaden its financial base. This would increase Niugini's capital by about one-third.

HK computer clearing moves a step closer

By Michael Marry in Hong Kong

HONG KONG'S progress towards a computerised paperless clearing and settlement system took a step nearer reality yesterday with the announcement of the formation of Hong Kong Securities Clearing, a new company limited by guarantee which will own and operate the system. It is expected to cost over HK\$100m (US\$12.8m).

Hong Kong Securities Clearing will be 50 per cent owned by the Stock Exchange itself, with the other half split equally between the Hongkong and Shanghai Bank, Bank of China, Standard Chartered Bank, Hong Seng Bank, Citicorp and Bank of East Asia.

The chairman of the company is Mr Ronald Carstairs, chief manager of the Standard

Chartered Bank Hong Kong, while the post of chief executive goes to Mr Felix Chow, who recently left the Kowloon Canton Railway Corporation.

Hong Kong's present clearing and settlement system involves the exchange of huge volumes of physical scrip, which in times of heavy turnover can result in severe settle-

ment backlogs such as in the midst of the October 1987 market crash when the local stock market ceased operations for four days.

Turnover has recently once again been heavy and Mr Carstairs said that the new system, which will run on IBM hardware, might be introduced in phases to cope with high trading volumes.

LONDON MARKET STATISTICS

RISES AND FALLS YESTERDAY

Table with columns: British Funds, Corporate, Domestic and Foreign Bonds, Financial and Properties, Oil, Mining, Others. Totals: 996 rises, 477 falls, 1,466 same.

LONDON RECENT ISSUES

Table with columns: Issue, Amount, Latest Price, High, Low, Stock, Closing Price, +/-, Bid, Offer, Yield, P/E Ratio.

FIXED INTEREST STOCKS

Table with columns: Issue, Amount, Latest Price, High, Low, Stock, Closing Price, +/-.

RIGHTS OFFERS

Table with columns: Issue, Amount, Latest Price, High, Low, Stock, Closing Price, +/-.

TRADITIONAL OPTIONS

Table with columns: Issue, Amount, Latest Price, High, Low, Stock, Closing Price, +/-.

LONDON TRADED OPTIONS

Table with columns: Issue, Amount, Latest Price, High, Low, Stock, Closing Price, +/-.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns: Index No., Index, Index No., Index, Index No., Index. Rows include FT-100 Share Index, FT-100 Industrial Group, FT-100 Financial Group, FT-100 Insurance Group, FT-100 Property Group, FT-100 All-Share Index.

FIXED INTEREST

Table with columns: Issue, Amount, Latest Price, High, Low, Stock, Closing Price, +/-.

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UK COMPANY NEWS

Year of consolidation sees ADT up to \$219m in spite of \$51m swing in interest charges

By Clay Harris

ADT, the international services group, increased its pre-tax profits by 41 per cent to \$219m (£126.6m) in 1988. Fully diluted earnings per share advanced by 16 per cent to 36 cents.

Table with 5 columns: Division, Sales, % change, Pre-tax profit, % change. Rows include Security services, Auction services, Maintenance services, Associated companies, Other activities, and regional breakdowns.

ADT now has 20 per cent of Nu-Swift Industries, the York-shire-based fire extinguisher manufacturer, and 49 per cent of Henlys, the Canadian company which holds several companies it bought from Hawley at the end of 1986.



Michael Ashcroft - chairman of ADT - is committed to two core divisions because of their high cost of entry and operating margins.

Ransomes Sims well ahead

By Ray Bashford

RANSOMES Sims & Jefferies, the grass cutting machinery manufacturer, beat City forecasts by lifting pre-tax profits 36 per cent to £12.2m during 1988.

Ransomes has almost completed the disposal of its farm machinery equipment operations, as part of a strategy to concentrate on the core business, and they should be out of the accounts by the year-end.

Minorco tries to woo SA over its Gold Fields bid

By Jim Jones in Johannesburg

MINORCO's roadshow arrived in Johannesburg yesterday headed by Sir Michael Edwards, its chief executive, and Mr Tony Lea, the finance director, fresh from London and Scotland and heading towards Europe's financial centres.

Possible buy-out at Talbex subsidiary

By John Ridding

TALBEX GROUP, the aerosol filler and coil miner, yesterday said it had received an approach from Mr Walter Jewitt, managing director of its Osmond Aerosols subsidiary, for a management buy-out of Osmond's operations at Grimsby.

with out-of-date machinery had resulted in disproportionate costs relative to volume. This was expected to constrain the realisation of potential profit until the second half of this year when the Scunthorpe plant becomes fully operational.

Table with 4 columns: Company Name, Dividend Amount, Date, P/E Ratio. Lists various companies like Abbott Mead Vich, Braime, etc.

Realising the value of the assets on the high street Paul Cheseright and Maggie Urry on Oppidan, the Storehouse/LET joint venture

MR MICHAEL Julien, Storehouse's new broom chief executive, knew Mr Dick Rankin, now a director of London & Edinburgh Trust, when both were at BICC. So, when, last summer, Storehouse began to dream up a scheme which would bring it some profit from its high-street properties, that personal connection assumed a new significance.



John Beckwith (left), chairman of LET, and Michael Julien of the BHS stores in its portfolio. There is an agreed formula for the payment by Oppidan of disturbance money for the retailer caught in the throes of a redevelopment. And Oppidan has the right to start work on any of the stores inserted into its portfolio at a year's notice.

will be an earner. That should eventually make a significant difference to BHS's trading profits. The drawback of the deal is that a greater proportion of Storehouse's properties will be subject to five-year rent reviews.

Former Mountleigh executive has 29% of Conrad

By John Thornhill

MR JOHN DUGGAN, who was sacked last November after only one month as chief executive of Moutleigh, the property group, has built up a 29.43 per cent stake in Conrad Holdings, the property developer, exhibition contractor and television scenery maker.

Dewey launches expected bid for Robert Fraser

By Nick Bunker

DEWEY WARREN, the USM-quoted shell company best-known as a former investment vehicle for Mr Robert Holmes à Court, has launched its expected bid for its own 29.9 per cent stake in Robert Fraser's banking, broking and investment management business at about £20m, plus whatever price-tag independent values put on its property interests.

Unseasonal weather helps Greggs rise 45% to £6m

By John Thornhill

IS A freshly-baked loaf of bread a hot take-away product? After a challenge in the courts, VAT inspectors have decided that it is not and Greggs, the Newcastle-based bakery retailer, has received an exceptional filing of £365,000 in tax repayments.

Gandalf profits drop

Gandalf Technologies, the Canadian computer networking company, reported operating income down from £1.96m to £180,000 in the second quarter to January 25. This was due to the sale of its Washington branch and closure costs of US printed circuit board assembly operations.

BOARD MEETINGS

Table with 2 columns: Company Name, Meeting Date. Lists meetings for various companies like Barratt Developments, Budge, etc.

Porth Group set for USM debut with £12m valuation

By Anthony Moreton, Welsh Correspondent

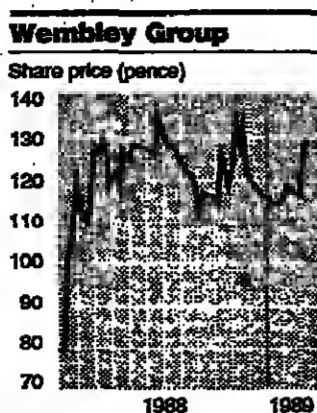
PORTH GROUP claims to be the largest producer of Christmas decorations in Britain. It makes between 65 and 70 per cent of the bangles, wreaths, stockings, novelties, garlands and trees produced in the country, says Mr Neill Bell, chairman.

UK COMPANY NEWS

Surplus of £63m from 'conservative' property revaluation
Wembley scores with £11.24m

By Philip Coggan

WEMBLEY, the property and leisure group, yesterday reported pre-tax profits for 1988 of £11.24m, with the help of a £4.14m exceptional item. The profits figure compares with £2.15m in the previous year.



13,000 spectators. The number of "event days" in 1988 increased from 280 to 320 while the exhibition centre also experienced increases usage.

about 30 per cent of group profits. During the year, Wembley acquired Pacer Corporation, which makes admission equipment for cinemas and arenas.

ing to surplus on property disposal. Fully diluted earnings per share were 9p. In 1987, earnings per share were nil, since all post-tax profits came from extraordinary items.

Cornwell Parker rises 15% to £4.75m

By David Waller

CORNWELL PARKER, the furniture and furnishings company which used to be called Parker Knoll, yesterday reported a 14.7 per cent increase in pre-tax profits to £4.75m for the six months to the end of January.

the Jordan, chairman of the family-controlled company, said that Parker's position at the top of the market would insulate it to a greater extent than other manufacturers.

end is to be 1.6p, against 1.4p in the first half of 1987-88. COMMENT Broadly in line with expectations, yesterday's 14.7 per cent increase in consumer spending was a slight dampening of demand in January and February.

benefits at an end, Parker will have to rely on organic growth (from a market under threat from higher interest rates) and acquisitions. With nil gearing, the company can easily afford plenty of these, on a larger scale than the recent purchase of Country Kitchens.



Michael Jackson: world record aggregate attendance.

Nigerian setback to hit profits at Hobson

By John Riddling

HOBSON, the USM-quoted holding company involved in exporting, commodity trading, aluminium fabrication and leisure, yesterday forecast a fall in profits for the year to March 31. Hobson shares slipped 1p to 24p.

Abbott Mead rises to £4.84m as new business hits £30m

By Andrew Hill

ABBOTT MEAD Vickers, the advertising agency, increased profits by nearly 20 per cent to £4.84m before tax in the year to December 31, despite having to absorb additional overheads of about £1m following a move to new headquarters.

income. However, he added that a slowing of the consumer boom might cause advertisers to shift the emphasis of their campaigns from brand-building towards promotion.

Irish Ropes in cash call

Irish Ropes has reported pre-tax profits of £1.18m (£994,000) on turnover of £24.02m for 1988. The results compare with £1,011,000 on turnover of £23.1m for the previous 15 months.

Finlan sells its MMEC stake

Finlan Group, the property development and materials handling group, has sold an 8.5 per cent stake in Merchant Manufacturing Estates Company, the USM-quoted property company.

West Hampshire falls to Biwater's revised offer

By Andrew Hill

BIWATER, the UK private water contractor, has won an agreed bid for West Hampshire Water Company, by increasing the offer for the statutory company's voting stock.

month and District, but would not comment yesterday on the suggestion that it might now launch an agreed bid for Bourne-mouth.

ARROW CAPITAL N.V. NOTICE OF REPURCHASE OF SHARES. Notice is hereby given of an offer by the Company for the repurchase of outstanding shares at a price equal to the unadjusted net asset value per share as at March 31, 1989 less a 1 per cent discount payable in cash.

SHARES STAKES. Changes made recently in company share stakes included: Bangkok Investments - Merrill Lynch International sold 40,000 preferred shares reducing holding to 107,625 (4.37 per cent);

CHANGE OF ADDRESS. As from Monday 6th March 1989 our new address is 9 Aile Street, London E1 8DE. Telephone: 01-623 5511. Lloyd's line: 7750.

Sharp rise at TF & JH Braime. TF & JH Braime, the Leeds-based engineering group, announced pre-tax profits sharply higher at £529,971 for 1988.

SHARES STAKES. Changes made recently in company share stakes included: (26.46 per cent) Hunting Gibson - M Boney, M H Dixon, J N Charlie, Nevill Mirrors and Concert bought 795,000 shares, increasing holding to 1.83m (8.2 per cent);

Unidare advances to £5.8m

UNIDARE, a manufacturer of electrical cables and transformers, raised its pre-tax profits from £3.02m to £5.81m (£4.8m) for the year ended December 31.

Worthington shares leap

By David Waller

SHARES in A.J. Worthington jumped from 44p to 89p yesterday following the announcement of a capital injection and the arrival of an acquisition-minded entrepreneur.

Worthington shares leap

By David Waller

SHARES in A.J. Worthington jumped from 44p to 89p yesterday following the announcement of a capital injection and the arrival of an acquisition-minded entrepreneur.

CLF Yeoman CLF YEOMAN plc. Yeoman Holdings plc a wholly owned subsidiary of CLF Yeoman plc. £43,000,000 Revolving Credit Facility. Arranger and Agent S.G.Warburg & Co. Ltd.



FT LAW REPORTS

# Cotton-dust victim cannot claim insurance

**BRADLEY v EAGLE STAR INSURANCE CO LTD**  
House of Lords (Lord Keith of Kinnear, Lord Brandon of Oakbrook, Lord Templeman, Lord Oliver of Aylmerston and Lord Jauncey of Tullichettle)  
March 2 1989

A COMPANY employee who, after its dissolution, proposes claiming for personal injuries under its third party insurance, is not entitled to pre-action discovery of the relevant policies if her claim is based to fall because no right against the insurers transferable to her ever arose, in that the company was dissolved without its liability to her having been established.

The House of Lords so held (Lord Templeman dissenting) when dismissing an appeal by Mrs Doris Bradley from a Court of Appeal decision that she was not entitled to pre-action discovery of documents in respect of her intended claim against Eagle Star Insurance Co Ltd.

Section 1(1) of the Third Parties (Rights against Insurers) Act 1930 provides: "Where a person... is insured against liabilities to third parties... then... (b) in the case of the insured being a company, in the event of a winding up order being made... if, either before or after that event, any such liability... is incurred by the insured, his rights against the insurer... shall, notwithstanding anything in any Act or rule of law to the contrary, be transferred to and vest in the third party..."

by Dart Mill's negligence and breach of statutory duty, and that while she was employed by the company it was insured in respect of liability to employees by Eagle Star Insurance.

Dart Mill was voluntarily wound up in 1975 and dissolved in 1976. It no longer existed and was incapable of being restored to existence.

In 1984, Mrs Bradley's solicitor decided to bring an action on her behalf against Eagle Star, under section 1(1) of the Third Parties (Rights against Insurers) Act 1930.

In order to have the necessary material on which to base the action, he required prior discovery of insurance policies issued by Eagle Star to Dart Mill.

On September 26 1988, he applied for an order that Eagle Star should disclose to Mrs Bradley all contracts of insurance in respect of Dart Mill's liability to employees during 1933 to 1934, 1940 to 1946, and 1963 to 1970.

The District Registrar ordered disclosure. Eagle Star appealed to Mr Justice Macpherson, who allowed the appeal. The Court of Appeal dismissed an appeal by Mrs Bradley.

Section 1(1) of the 1930 Act provided that if an insured company was wound up and incurred third party liability before or after the winding up order was made, its rights against the insurer "shall... be transferred to and vest in the third party to whom the liability was so incurred."

The grounds on which the Court of Appeal decided against Mrs Bradley were that under section 1(1) she only had transferred to her such rights against Eagle Star as Dart Mill itself would have had. Dart Mill would only have been entitled to indemnity if the existence and amount of liability to Mrs Bradley had first been established by a court, by arbitration or by agreement between her and Dart Mill. The existence and amount had not been established while Dart Mill existed, and there was no longer any means by which such liability could be established.

lished. That being so, there was not and never could be any right of indemnity which could be transferred to Mrs Bradley. Her proposed action could therefore not succeed, and it would serve no useful purpose to make the order for pre-action discovery.

The Court of Appeal rightly considered itself bound to reach that conclusion by an earlier Court of Appeal decision in *Post Office v Norwich Union Fire Insurance (1987) 2QB 853, 873, 877*.

In that case, which concerned damage by the insured to the property of a third party, Lord Denning MR said "the insured only acquires a right to sue when his liability to the injured person has been established so as to give rise to a right of indemnity." Lord Justice Salmon said "It is quite unheard of in practice for any assured to sue his insurers in a money claim when the actual loss against which he wishes to be indemnified has not been ascertained."

They concluded that under a third party policy the insured person could not sue for indemnity from the insurers unless and until the existence and amount of his liability to the third party had been established by action, arbitration or agreement.

The *Post Office* case was rightly decided, and the principle laid down was applicable to the present case.

The complaint had been forcefully made on Mrs Bradley's behalf that the Court of Appeal decision in the present case depended really on procedural technicalities, and produced a result which was unfair to her and gave an unmerited bonus to Eagle Star.

The 1930 Act was passed to remedy a particular form of injustice, in that even where an injured person had obtained judgment for damages, if the wrongdoer went into liquidation or became bankrupt, moneys payable under third party insurance did not go solely to the injured person but were payable to the liquidator or trustee in bankruptcy for distribution among all unsecured creditors (see *ex parte Chaplin (1988) 1 Ch 105* and

*Hood's Trustees (1928) Ch 738*).

The Act was not passed to remedy any injustice arising from other matters. In particular it was not passed to remedy any injustice which might arise as a result of a company's dissolution making it impossible to establish liability to a third party.

That kind of situation was not contemplated by the legislature.

Also, section 1(2) of the Act dealt expressly with the transfer to third parties of insurance rights under a deceased bankrupt's estate, but no provision was made with regard to dissolution of a company.

That again led to the inference that the legislature, in enacting the 1930 Act, did not have a situation of that kind in contemplation at all.

The appeal should be dismissed.

Lord Keith, Lord Oliver and Lord Jauncey agreed.

LORD TEMPLEMAN dissenting said that the existence or non-existence of Dart Mill at present was irrelevant. It had existed, and if it was insured with Eagle Star against liability to Mrs Bradley and incurred liability to her, its rights under the policy were vested in her.

The 1930 Act was intended to protect a person who suffered an insured loss at the hands of a company which went into liquidation. Parliament could not have intended that the protection should cease as soon as the company in liquidation was dissolved.

The dissolution of Dart Mill had no significance, save that it enabled Eagle Star to argue it was not bound to pay in respect of a liability which it had accepted and for which it was paid premiums. The appeal should be allowed to enable Mrs Bradley to proceed with her action against Eagle Star.

For Mrs Bradley: David Clarke QC and David Allan (John Pickering)  
For Eagle Star: MSE Grime QC and Patrick Field (Davies Arnold & Cooper)

Rachel Davies  
Barrister

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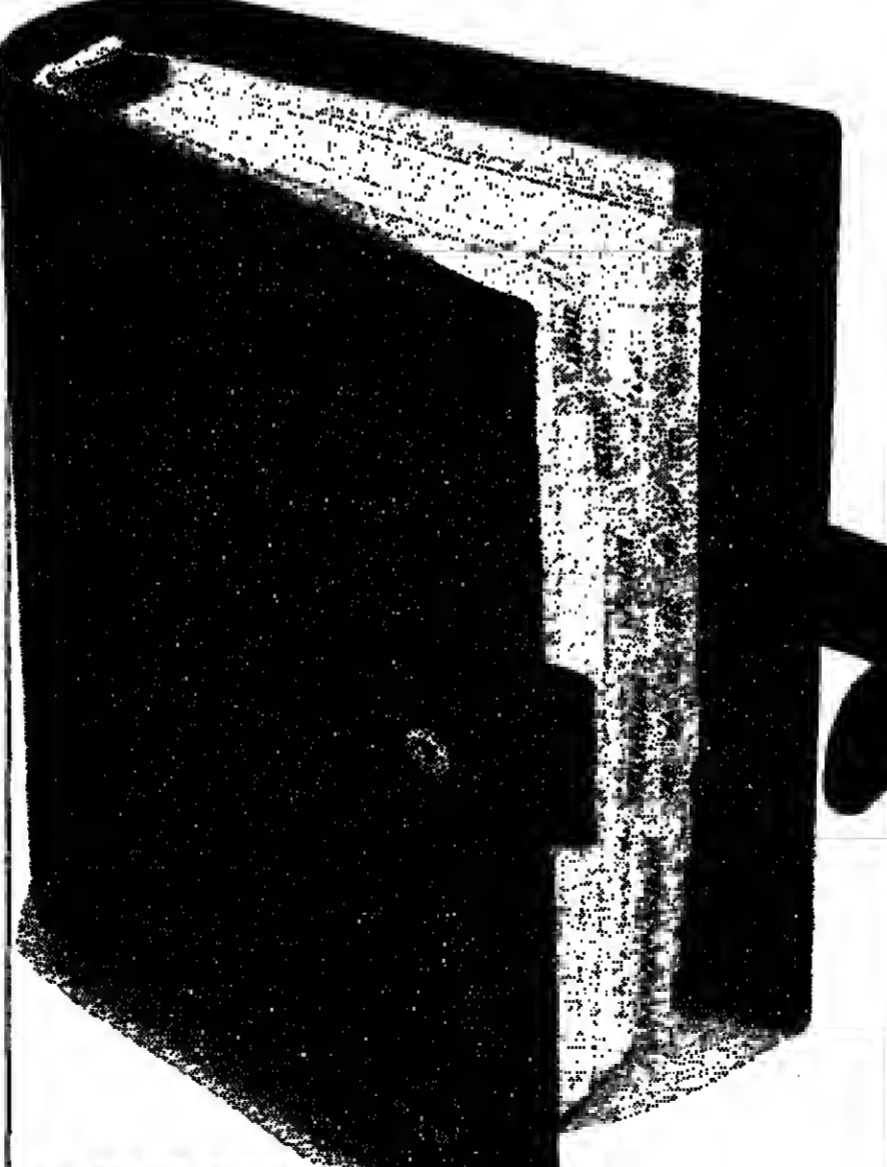
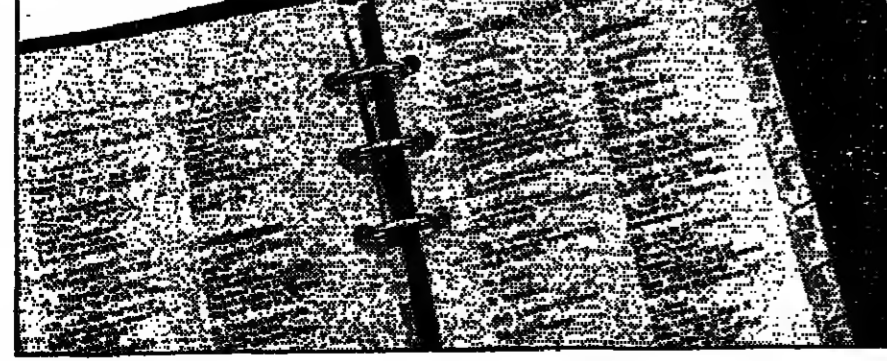
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COMMODITIES AND AGRICULTURE

Moscow plans 5% cut in oil exports to West

By James Blitz in Moscow

SOVIET OIL ministers yesterday confirmed that exports of 12m barrels over the next six months, at a rate of 100,000 barrels a day.

It is estimated that this would amount to a total drop in exports of 12m barrels over the next six months, at a rate of 100,000 barrels a day.

Announcing the measures at a press conference in Moscow, Mr Grant Margulev, the First Deputy Chairman of the Soviet Council of Ministers' Bureau for the Fuel-Energy Complex, said the measures were aimed at helping oil exporting countries to stabilise world prices.

But, although he could not confirm that Soviet oil production was levelling off, the Minister said that oil production for 1988 had remained at the 1987 level of 62m tonnes.

Norway details offshore licence allocations

By Karen Fossil in Oslo

NORWAY'S Oil and Energy Ministry has detailed allocations of its 12-B concession round for nine offshore blocks, six of which are in the North Sea off mid-Norway and three in the Barents Sea.

Three foreign companies, the Norwegian subsidiaries of British Petroleum, Mobil and Shell, were recipients of one block each on new acreage.

Three Norwegian companies, Statoil, Norway's state oil company, Norsk Hydro and Saga Petroleum, were awarded the remaining acreage.

Statoil was awarded operatorship for three blocks and a 50 per cent stake, in each of the nine licences. Should any blocks in the new acreage prove to hold producible reserves, the state will increase its shareholding from 50 per cent to 60-65 per cent when the field comes on stream.

The Ministry said that it had planned to award four so-called "key" blocks in the Barents Sea, but oil companies' lack of interest in the area limited the offer to three.

UK backs Brussels farm price proposals

By David Buchan in Brussels

THE EUROPEAN Commission was yesterday criticised by all EC countries except Britain for its plan to weaken the intervention system for cereals by reducing the time during which farmers can sell into the EC cereal stockpile.

On the first day of serious detailed negotiations on the 1989-90 price package, Britain emerged as the sole supporter of the Commission's call for a price freeze on most products and a cut in the price of durum wheat, sugar and citrus.

On cereals, Mr John MacGregor, the UK Agriculture Minister, suggested the Commission could even go further in weakening the intervention system, which Mr Raymond MacSharry, the EC agricultural commissioner, insisted should revert to its role of a safety-net, not a regular outlet for farmers.

The Commission claims its proposals will be price neutral, but some farm industry officials say it could amount to an 8 per cent cut over two years.

The Commission has proposed to phase out monetary compensatory amounts designed to even out currency-related price differences among the 12 states - in two stages for countries in the European monetary system, and in three stages for countries like Britain outside the EMU.

The planned two-day talks this week are due to be followed up by more ministerial discussions on March 20 and 21, with most officials forecasting a price deal in April.

Alpine farming on the slippery slope

Livestock rearing still has an important role and its decline is causing concern

BRITISH FARMERS should diversify, says Mr John MacGregor, the Minister of Agriculture. They should earn a bigger proportion of their livelihood from such things as leisure and specialist services and not rely entirely on the production of basic commodities.

Ever anxious to try to comply with such edicts from the corridors of power I have, for the last few days, been making an in-depth study of diversification in an area of Europe where farmers have been doing it with outstanding success since the turn of the century.

This research project was my main preoccupation as I skirted the mountains around the Arlberg Pass in the Austrian Tyrol - one of the few areas in Europe with adequate snow this year. I made a detailed study of catering opportunities as I ate knoedel suppe and apfel strudel in the mountain restaurants.

Nevertheless, the inescapable fact remains that the price neutral, but some farm industry officials say it could amount to an 8 per cent cut over two years.

The Commission has proposed to phase out monetary compensatory amounts designed to even out currency-related price differences among the 12 states - in two stages for countries in the European monetary system, and in three stages for countries like Britain outside the EMU.

Farmer's viewpoint

By David Richardson

recognised an a potentially enjoyable pastime and a group of English aristocrats founded the Arlberg Ski Club. It was not until 1937, however, that the first cable car was built enabling enthusiasts to ride up the mountains rather than climb them with skis attached to their skis.

Today the once tiny village has become a thriving small town of 2,200 inhabitants. Some 8,000 beds accommodate 90,000 guests through each winter skiing season and 40,000 walkers every summer.

But among St Anton's four-star hotels and pensions; between its smart cafes and night-time discotheques, there are still 16 farms. They may not be big farms, in fact they have between the only about 40 milking cows, roughly the same number of young stock, 500 sheep and a few pigs.

The sheep, which invariably share cramped winter accommodation with both cows and pigs, have the unusual ability to breed twice a year once in the autumn, just before being housed for the winter, and once in the spring, in anticipation of the beginning of summer grazing.

While the tourist trade now dominates the economy of St Anton, therefore, the farming

US timber exports at record

By Deborah Hargreaves in Chicago

US TIMBER exports reached a record level for the second consecutive year when they topped \$3.5bn last year.

The surge in exports is due largely to a lower dollar rate against the Japanese yen, and an aggressive marketing campaign by producers, according to the American Forest Council.

US forest products have always been in abundant supply, states Mr Popovich, but it is only in recent years that exports have started to pick up.

The UK Department of Trade and Industry is studying a proposal by the Timber Trade Federation that all imports of tropical hardwood should be subject to a surcharge, writes David Blackwell. Other European timber trade organisations are also lobbying their governments for a surcharge, which would be used to fund - through the International Tropical Timber Organisation - the development of sustainable tropical timber resources.

Plateau of Joy' forecast for base metals prices

By Kenneth Gooding, Mining Correspondent

BASE METAL prices will be supported during the next two years on a "plateau of joy" far above production costs, predicts UBS Phillips & Drew, the securities house, in its latest study.

Analyst Mr Andy Smith says that, even though demand might weaken in the second half of this year and in 1990, metal supply will struggle to keep pace.

Capacity expansion plans remain cautious, with mining companies gripped by a "boom-bust" mentality. Existing capacity is being operated to breaking point.

With the cupboard bare of stocks, recurring disruptions to developing country mine output will have an added potency in 1989," he predicts.

LONDON MARKETS

Table with columns for Commodity, Close, Previous, High/Low. Includes Zinc, Copper, Lead, Tin, Nickel, Platinum, Palladium, Aluminium, Silver, Gold, and various oil products.

COCOA 5/tonne

Table with columns for Month, Close, Previous, High/Low. Includes Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

COFFEE 5/tonne

Table with columns for Month, Close, Previous, High/Low. Includes Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

SPOT MARKETS

Table with columns for Commodity, Price, Change. Includes Crude oil, WTI, Brent, and various oil products.

LONDON METAL EXCHANGE

Table with columns for Commodity, Close, Previous, High/Low. Includes Aluminium, Copper, Lead, Tin, Nickel, Zinc, Silver, Gold, and various oil products.

POTATOES 5/tonne

Table with columns for Month, Close, Previous, High/Low. Includes Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

SOYABEAN MEAL 5/tonne

Table with columns for Month, Close, Previous, High/Low. Includes Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

WHEAT 5/tonne

Table with columns for Month, Close, Previous, High/Low. Includes Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

US MARKETS

Table with columns for Commodity, Close, Previous, High/Low. Includes Soyabean meal, Soyabean oil, Corn, Wheat, and various oil products.

NEW YORK

Table with columns for Commodity, Close, Previous, High/Low. Includes Gold, Silver, and various oil products.

CRUDE OIL 5/barrel

Table with columns for Month, Close, Previous, High/Low. Includes Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

GAS OIL 5/barrel

Table with columns for Month, Close, Previous, High/Low. Includes Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

CHICAGO

Table with columns for Commodity, Close, Previous, High/Low. Includes Soyabean meal, Soyabean oil, Corn, Wheat, and various oil products.

WHEAT 5/tonne

Table with columns for Month, Close, Previous, High/Low. Includes Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

SOYABEAN MEAL 5/tonne

Table with columns for Month, Close, Previous, High/Low. Includes Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

WHEAT 5/tonne

Table with columns for Month, Close, Previous, High/Low. Includes Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.



LONDON STOCK EXCHANGE

Firm pound fuels further equity gains

UK EQUITIES continued to move higher yesterday as interest rate worries were soothed by another firm performance by sterling...

The surprise of the day was the substantial revision in January retail sales volume to show a fall of 2.4 per cent...

Chart analysts suggested that there was a "strong technical flavour" to yesterday's advance, and that the market was not close to "unsupportable levels"...

Some market makers were still short of stock in the wake of last week's sudden upturn. Strains were evident in the building sector where RMC shares briefly showed a back-wardation...

Seaq volume of 472.9m shares compared with Friday's 632.7m, and included a greater proportion of inter-market deals. Trading in the international blue chips was moderate...

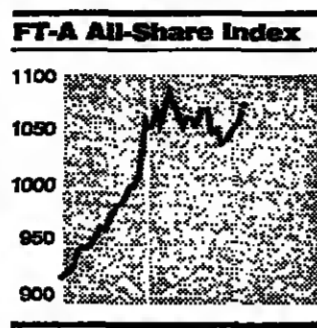
FINANCIAL TIMES STOCK INDICES

Table with columns for Mar. 6, Mar. 7, Mar. 8, Mar. 9, Mar. 10, Mar. 11, Mar. 12, Mar. 13, Mar. 14, Mar. 15, Mar. 16, Mar. 17, Mar. 18, Mar. 19, Mar. 20, Mar. 21, Mar. 22, Mar. 23, Mar. 24, Mar. 25, Mar. 26, Mar. 27, Mar. 28, Mar. 29, Mar. 30, Mar. 31, Year, 1988/89, Since Completion, High, Low.

Markets welcome Sir James

A scintillating performance from shares in Anglo Leasing heralded the return to the UK stock market of international financier Sir James Goldsmith...

A theme taken up by the oil team at Kleinwort Benson, which said: "A combination of thwarted majors and dissatisfied Lasmo shareholders will mean that over the next two months Lasmo will be more vulnerable..."



"RMC is a first-rate stock that everybody is trying to buy" was the explanation offered by one trader. At the close RMC were 28 higher at 67 1/2.

The weekend revelation that Mr Jacob Rothschild has picked up a near 2 per cent stake in Dixons boosted turnover in the electrical retailer.

Estimates range from £240m to £255m, and the shares were buoyed yesterday by talk that Leadbrooke is planning to put a brand valuation on the recently acquired Hilton International chain.

The record UK car sales for February and expectations that Jaguar, the luxury car manufacturer, will shortly announce improved overseas sales were good enough reasons to get the shares moving higher.

LASMO favourite

Lasmo jumped 14 1/2% more to 47 1/2 - a two-day gain of 27 - on turnover of 2m shares following last Friday's 7m. Talk in the market suggested investors were switching out of 'junk' stocks like Lasmo...

Most analysts were impressed by the figures. "We expect further strong growth in the current year from all the group's core activities," said Mr Roy Owen, analyst at Kitcat & Aitken.

Wellcome, down 8 at 47 1/2, and Beecham, 6 lower at 53 1/2, were higher hit. Fisons were steady at 28 1/2 awaiting full year figures today.

American analysts continued to hunger after Reuters which added to last week's sustained rise. London was doing all the selling, said a marketmaker, and the shares closed 21 higher at 72 1/2.

Boose Massimal Pollitt advanced strongly, rising 16 to 26 1/2, amid market stories of an imminent bid from a European group. A leading researcher agreed that yesterday's share price strength suggested some form of deal was close at hand.

Trailers pointed out that there would be no shortage of potential bidders for Lasmo. Bopod, Petrobras, Atlantic Richfield and Deminor were mentioned as possibilities.

Profit-taking took its toll of several pharmaceutical and chemical stocks. Glaxo and ICI shed a penny or two, but

Rolls-Royce turned over 5.7m shares in busy two-way trade but added only a penny to 17 1/2. Laing and Cruickshank bid up Delta's share price at the opening and helped create a momentary back-wardation.

Leadbrooke climbed 17 to 56 1/2 in moderate trade as investors sought the stock ahead of next week's final results. Market

NEW HIGHS AND LOWS FOR 1988/89

Table listing new highs and lows for 1988/89 across various sectors including Chemicals, Food, Textiles, and others.

Head of Banque de Rive

BRITISH & COMMONWEALTH MERCANTILE BANK has appointed Mr John E. Slevin as chief executive and managing director of its wholly-owned subsidiary, Banque de Rive, Geneva.

POWELL DUFFEYN has appointed Mr E.A. Burgess as managing director of UK Petroleum Products.

Mr John Sellers has been appointed finance director of SOUTH WESTERN ELECTRICITY in preparation for privatisation.

Changes at Mercantile Group

Mr Owen Rout, executive director UK operations, Barclays Bank, will become non-executive chairman of MERCANTILE GROUP when Mr Stuart Farrington, chairman and chief executive, retires on June 23.

Mr Chris Toome has been appointed managing director of GE INFORMATION SERVICES.

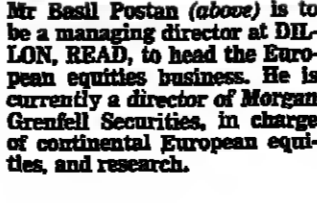
WELPAC has appointed Mr Paul Lavender as group financial director. Mr Peter Oldfield, general manager, has been appointed a director of wholly-owned subsidiary Welpac Hardware.

Mr Kevin Harris has been appointed development director of BRITISH CREDIT TRUST. He is succeeded as London and south east regional director by Mr Michael Long who was manager of the Leeds branch.

Mr Nicholas William Marshall becomes company secretary of LYNDOE (HOLDINGS) succeeding Ms Jeanette Lyndoe.

Former vice president, corporate finance, for Bankers Trust, London, Mr Barry Dow, has been appointed an executive director of RUSSELL REYNOLDS ASSOCIATES.

Mr Brian Burnett has been appointed a director of PORTSMOUTH BUILDING SOCIETY. He is general manager (finance).



Mr Basil Postan (above) is to be a managing director at DILLON, READ, to head the European equities business. He is currently a director of Morgan Grenfell Securities, in charge of continental European equities, and research.

Large advertisement for 'the budget and after' featuring a large stylized title and text about the budget day and its implications.

Mr David A. Leonard has been appointed marketing director of the E.A.B. division, CARO SAFFETY. He was sales manager.

Mr Robert C. Chalmers, director of planning, ARLINGTON GROUP, has been appointed to the board of Arlington Securities.

Mr Owen Rout, executive director UK operations, Barclays Bank, will become non-executive chairman of MERCANTILE GROUP when Mr Stuart Farrington, chairman and chief executive, retires on June 23.

Mr Basil Postan (above) is to be a managing director at DILLON, READ, to head the European equities business. He is currently a director of Morgan Grenfell Securities, in charge of continental European equities, and research.

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-225-2126

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trust, Abbey Income, Abbey Growth, etc., with columns for name, manager, and price.

Table listing unit trusts including Abbey Unit Trust, Abbey Income, Abbey Growth, Abbey Bond, etc., with columns for name, manager, and price.

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GUIDE TO UNIT TRUST PRICING. A section explaining the pricing mechanism of unit trusts, including how prices are determined and how they relate to the net asset value.

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FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128

Handwritten note: 01-925-2128

Main table of unit trust information with columns for Name, Price, Yield, and other financial metrics. Includes sections for 'OTHER UK UNIT TRUSTS' and 'INSURANCES'.

INSURANCES

Table of insurance products and services, including various life insurance policies and financial products.

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128

Main table containing financial data for various unit trusts, including columns for fund names, providers, and prices. Includes sub-sections for 'MANAGEMENT SERVICES' and 'OFFSHORE AND OVERSEAS'.

Handwritten note: 01-925-2128

FT UNIT TRUST INFORMATION SERVICE

Table containing FT Unit Trust Information Service data, including columns for fund names, share prices, and performance metrics. Includes sub-sections like 'OTHER OFFSHORE FUNDS' and 'LUXEMBOURG (\*)'.

LONDON SHARE SERVICE

Table containing London Share Service data, including columns for fund names, share prices, and performance metrics. Includes sub-sections like 'BRITISH FUNDS', 'BRITISH FUNDS—Contd', and 'AMERICANS'.

Table containing Money Market Trust Funds and Money Market Bank Accounts data, including columns for fund names, share prices, and performance metrics.

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LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-525-2128

CANADIANS table with columns for Stock, Price, Bid, Offer, and P/E ratio. Includes companies like Alcan, BHP, and Inco.

BUILDING, TIMBER, ROADS - Contd table listing various construction and infrastructure companies.

ELECTRICALS table listing companies in the electrical industry.

ENGINEERING - Contd table listing engineering firms.

INDUSTRIALS (Misc.) - Contd table listing various industrial companies.

INDUSTRIALS (Misc.) - Contd table listing various industrial companies.

BANKS, HP & LEASING table listing financial institutions and leasing companies.

CHEMICALS, PLASTICS table listing chemical and plastic manufacturers.

ELECTRICALS table listing electrical companies.

ENGINEERING - Contd table listing engineering firms.

INDUSTRIALS (Misc.) - Contd table listing various industrial companies.

INDUSTRIALS (Misc.) - Contd table listing various industrial companies.

BEERS, WINES & SPIRITS table listing beverage companies.

DRAPERY AND STORES table listing retail and clothing companies.

ELECTRICALS table listing electrical companies.

ENGINEERING - Contd table listing engineering firms.

INDUSTRIALS (Misc.) - Contd table listing various industrial companies.

INDUSTRIALS (Misc.) - Contd table listing various industrial companies.

BUILDING, TIMBER, ROADS table listing construction and infrastructure companies.

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LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-925-2128

LEISURE - Contd. Table listing various leisure companies like Leisure Group, Leisure Leisure, Leisure Leisure, etc. with columns for stock price, high, low, and volume.

PROPERTY. Table listing property-related companies like Property Property, Property Property, etc. with columns for stock price, high, low, and volume.

TEXTILES - Contd. Table listing textile companies like Textiles Textiles, Textiles Textiles, etc. with columns for stock price, high, low, and volume.

TRUSTS, FINANCE, LAND - Contd. Table listing trusts, finance, and land companies like Trusts Trusts, Finance Finance, etc. with columns for stock price, high, low, and volume.

OIL AND GAS - Contd. Table listing oil and gas companies like Oil Oil, Gas Gas, etc. with columns for stock price, high, low, and volume.

MINES - Contd. Table listing mining companies like Mines Mines, Mines Mines, etc. with columns for stock price, high, low, and volume.

MOTORS, AIRCRAFT TRADES. Table listing motor and aircraft trade companies like Motors Motors, Aircraft Aircraft, etc. with columns for stock price, high, low, and volume.

PROPERTY. Table listing property-related companies like Property Property, Property Property, etc. with columns for stock price, high, low, and volume.

TOBACCO. Table listing tobacco companies like Tobacco Tobacco, Tobacco Tobacco, etc. with columns for stock price, high, low, and volume.

TRUSTS, FINANCE, LAND. Table listing trusts, finance, and land companies like Trusts Trusts, Finance Finance, etc. with columns for stock price, high, low, and volume.

OVERSEAS TRADERS. Table listing overseas traders companies like Overseas Overseas, Overseas Overseas, etc. with columns for stock price, high, low, and volume.

MISCELLANEOUS. Table listing miscellaneous companies like Miscellaneous Miscellaneous, Miscellaneous Miscellaneous, etc. with columns for stock price, high, low, and volume.

COMMERCIAL VEHICLES. Table listing commercial vehicles companies like Commercial Commercial, Vehicles Vehicles, etc. with columns for stock price, high, low, and volume.

PROPERTY. Table listing property-related companies like Property Property, Property Property, etc. with columns for stock price, high, low, and volume.

TRUSTS, FINANCE, LAND. Table listing trusts, finance, and land companies like Trusts Trusts, Finance Finance, etc. with columns for stock price, high, low, and volume.

FINANCE, LAND, ETC. Table listing finance, land, and other companies like Finance Finance, Land Land, etc. with columns for stock price, high, low, and volume.

PLANTATIONS. Table listing plantation companies like Plantations Plantations, Plantations Plantations, etc. with columns for stock price, high, low, and volume.

THIRD MARKET. Table listing third market companies like Third Third, Market Market, etc. with columns for stock price, high, low, and volume.

NEWSPAPERS, PUBLISHERS. Table listing newspaper and publisher companies like Newspapers Newspapers, Publishers Publishers, etc. with columns for stock price, high, low, and volume.

PROPERTY. Table listing property-related companies like Property Property, Property Property, etc. with columns for stock price, high, low, and volume.

TRUSTS, FINANCE, LAND. Table listing trusts, finance, and land companies like Trusts Trusts, Finance Finance, etc. with columns for stock price, high, low, and volume.

FINANCE, LAND, ETC. Table listing finance, land, and other companies like Finance Finance, Land Land, etc. with columns for stock price, high, low, and volume.

MINES. Table listing mining companies like Mines Mines, Mines Mines, etc. with columns for stock price, high, low, and volume.

MISCELLANEOUS. Table listing miscellaneous companies like Miscellaneous Miscellaneous, Miscellaneous Miscellaneous, etc. with columns for stock price, high, low, and volume.

PAPER, PRINTING, ADVERTISING. Table listing paper, printing, and advertising companies like Paper Paper, Printing Printing, Advertising Advertising, etc. with columns for stock price, high, low, and volume.

PROPERTY. Table listing property-related companies like Property Property, Property Property, etc. with columns for stock price, high, low, and volume.

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INSURANCE. Table listing insurance companies like Insurance Insurance, Insurance Insurance, etc. with columns for stock price, high, low, and volume.

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MISCELLANEOUS. Table listing miscellaneous companies like Miscellaneous Miscellaneous, Miscellaneous Miscellaneous, etc. with columns for stock price, high, low, and volume.

REGIONAL & IRISH STOCKS. Table listing regional and Irish stocks with columns for stock price, high, low, and volume.

TRADITIONAL OPTIONS. Table listing traditional options with columns for stock price, high, low, and volume.

PROPERTY. Table listing property-related companies like Property Property, Property Property, etc. with columns for stock price, high, low, and volume.

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CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

High yielders back in favour

THE DOLLAR and sterling improved yesterday against other major currencies, including the D-Mark and the Japanese yen.

High yielding currencies moved back into favour, after suffering selling pressure last week. The remark by a Japanese Finance Ministry official that the dollar had reached a low point reinforced the view that the yen is likely to weaken on widening interest rate differentials.

FINANCIAL FUTURES

Short sterling price firmer

SHORT STERLING futures moved higher in the London Liffe market yesterday, touching a high of 87.28 for June delivery before closing at 87.22.

Investors are wary of pushing values much firmer than the high touched yesterday, fearing a sudden retranchment similar to that experienced last month in the March contract.

C IN NEW YORK

Table showing C in New York with columns for Mar 5, Mar 6, Mar 7, and Mar 8.

STERLING INDEX

Table showing Sterling Index with columns for Mar 5, Mar 6, Mar 7, and Mar 8.

CURRENCY RATES

Table showing Currency Rates for various countries including US Dollar, Canadian Dollar, Australian Dollar, etc.

CURRENCY MOVEMENTS

Table showing Currency Movements with columns for Mar 5, Mar 6, Mar 7, and Mar 8.

OTHER CURRENCIES

Table showing Other Currencies including Argentina, Brazil, Hong Kong, etc.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit Rates for various countries.

POUND SPOT-FORWARD AGAINST THE POUND

Table showing Pound Spot-Forward Against the Pound with columns for Mar 5, Mar 6, Mar 7, and Mar 8.

DOLLAR SPOT-FORWARD AGAINST THE DOLLAR

Table showing Dollar Spot-Forward Against the Dollar with columns for Mar 5, Mar 6, Mar 7, and Mar 8.

EURO-CURRENCY INTEREST RATES

Table showing Euro-Currency Interest Rates for various currencies and maturities.

EXCHANGE CROSS RATES

Table showing Exchange Cross Rates for various currency pairs.

FT LONDON INTERBANK FIXING

Table showing FT London Interbank Fixing for various currencies and maturities.

LIFFE LAMG FUTURES OPTIONS

Table showing Liffe Lamg Futures Options for various currencies.

LIFFE US TREASURY BOND FUTURES OPTIONS

Table showing Liffe US Treasury Bond Futures Options for various maturities.

LIFFE EURO-DOLLAR OPTIONS

Table showing Liffe Euro-Dollar Options for various maturities.

LIFFE SHORT STERLING

Table showing Liffe Short Sterling for various maturities.

LIFFE 3 YEAR VIB NATIONAL GILT

Table showing Liffe 3 Year VIB National Gilt for various maturities.

LIFFE 7 YEAR VIB NATIONAL GILT

Table showing Liffe 7 Year VIB National Gilt for various maturities.

LIFFE 10 YEAR VIB NATIONAL GILT

Table showing Liffe 10 Year VIB National Gilt for various maturities.

LIFFE 15 YEAR VIB NATIONAL GILT

Table showing Liffe 15 Year VIB National Gilt for various maturities.

LIFFE 20 YEAR VIB NATIONAL GILT

Table showing Liffe 20 Year VIB National Gilt for various maturities.

LIFFE 25 YEAR VIB NATIONAL GILT

Table showing Liffe 25 Year VIB National Gilt for various maturities.

LIFFE 30 YEAR VIB NATIONAL GILT

Table showing Liffe 30 Year VIB National Gilt for various maturities.

LIFFE 35 YEAR VIB NATIONAL GILT

Table showing Liffe 35 Year VIB National Gilt for various maturities.

LIFFE 40 YEAR VIB NATIONAL GILT

Table showing Liffe 40 Year VIB National Gilt for various maturities.

LIFFE 45 YEAR VIB NATIONAL GILT

Table showing Liffe 45 Year VIB National Gilt for various maturities.

LIFFE 50 YEAR VIB NATIONAL GILT

Table showing Liffe 50 Year VIB National Gilt for various maturities.

LIFFE US TREASURY BOND FUTURES OPTIONS

Table showing Liffe US Treasury Bond Futures Options for various maturities.

LIFFE EURO-DOLLAR OPTIONS

Table showing Liffe Euro-Dollar Options for various maturities.

LIFFE SHORT STERLING

Table showing Liffe Short Sterling for various maturities.

LIFFE 3 YEAR VIB NATIONAL GILT

Table showing Liffe 3 Year VIB National Gilt for various maturities.

LIFFE 7 YEAR VIB NATIONAL GILT

Table showing Liffe 7 Year VIB National Gilt for various maturities.

LIFFE 10 YEAR VIB NATIONAL GILT

Table showing Liffe 10 Year VIB National Gilt for various maturities.

LIFFE 15 YEAR VIB NATIONAL GILT

Table showing Liffe 15 Year VIB National Gilt for various maturities.

LIFFE 20 YEAR VIB NATIONAL GILT

Table showing Liffe 20 Year VIB National Gilt for various maturities.

LIFFE 25 YEAR VIB NATIONAL GILT

Table showing Liffe 25 Year VIB National Gilt for various maturities.

LIFFE 30 YEAR VIB NATIONAL GILT

Table showing Liffe 30 Year VIB National Gilt for various maturities.

LIFFE 35 YEAR VIB NATIONAL GILT

Table showing Liffe 35 Year VIB National Gilt for various maturities.

LIFFE 40 YEAR VIB NATIONAL GILT

Table showing Liffe 40 Year VIB National Gilt for various maturities.

LIFFE 45 YEAR VIB NATIONAL GILT

Table showing Liffe 45 Year VIB National Gilt for various maturities.

LIFFE 50 YEAR VIB NATIONAL GILT

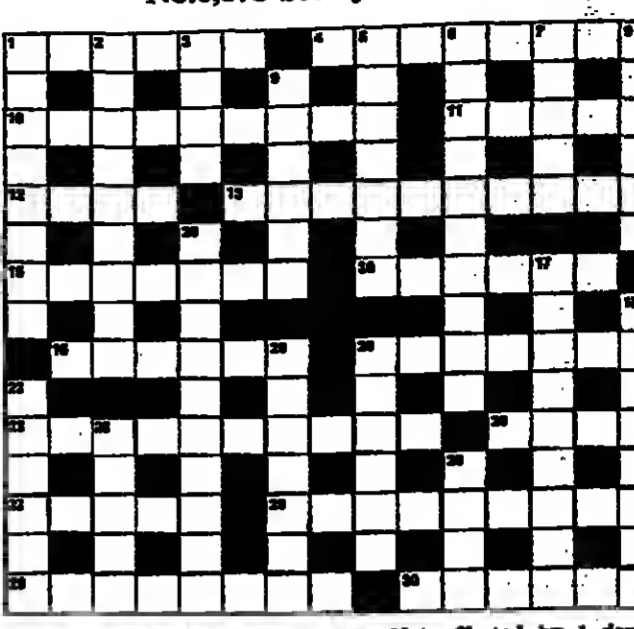
Table showing Liffe 50 Year VIB National Gilt for various maturities.

LIFFE 55 YEAR VIB NATIONAL GILT

Table showing Liffe 55 Year VIB National Gilt for various maturities.

CROSSWORD

No.6,878 Set by FETTLER



- ACROSS
1 Metal Grand master often contains king (6)
4 With paper evidence, copper has follows in a spot (8)
10 Wild cat with lot to follow, e.g. puma, lynx etc. (9)
11 Peg pill can make such as Hebe headless (6)
12 Four back what's fitting (4)
13 Richly covered or coated (4-6)
14 One put on a display of idealism (7)
15 Four out English blend (6)
16 Poles, ever positive, love being in the mountains (6)
21 Complete work embracing Arne arrangement (7)
22 It's time one managed to away to a lively dance (10)
23 Group of verses found in Anglican times (6)
24 Plan beds in layers - brilliant (9)
25 Sounding like the tops in trill (8)
26 Arrive in a mountain? That's inconvertible (6)

- DOWN
6 Not affected by 1 down, being useless (10)
7 Lots of Ireland? (6)
8 One in business gets a string of irrevocable (6)
9 Neighbour, seeking place in sun is to achieve it by stealth (6)
14 17's tip for mother-minded - rubbish (6-4)
17 As, lyrically, 18 was - namely vindicator (6)
18 Mam, only strictly deserted, lambasted Dad (2,3,3)
20 Suppression one who can come with a match (4-3) ??
21 Putting chum on test is a mean thing (6)
22 Gums found in the backwoods (6)
24 Wander over open country... (6)
26 ... before climbing a volcano (4)
Solution to Puzzle No.6,877

REPUBLIC OF THE IVORY COAST Tender No. 2920/DMP

1. The National Telecommunications Office of the Ivory Coast has obtained a loan from the IBRD, in various currencies, to finance the cost of the project concerning the refurbishing of the equipment and the strengthening of the maintenance of services.

2. The National Telecommunications Office invites, with this Tender, those candidates who are allowed to take part to present their bids under sealed envelope for the supply and installation of a control system of the radio-electric programme within the N.T.O.

3. The candidates who are allowed to bid can obtain further information and examine the Tenders files in the Office of the Chef de Services des Marchés, located on the 12th floor of POSTEL 2001, door 12-07. Phone: 34.67.61 or 34.66.12 - Telex No. 23790 or 23750, ABIDJAN.

4. Any candidate who is allowed to bid and who is interested in the present Tender can buy a complete set of Tender documents, by writing to the above-mentioned Department, or after consulting the Charge Books, for a payment of around 200,000 CFA francs, which will not be paid back.

5. Each bid must be accompanied by a deposit on tender of 1.5% of the total amount of the bid. This deposit must be put forward at the same time as the Bids to the Services des Marchés, Immeuble POSTEL, 2001, door 12-07, ABIDJAN-CI at the latest on the 13th of March 1989 5.00 p.m. imperatively.

6. The files will be opened in the presence of the bidding representatives who wish to be present at the opening on the 14th March 1989 at 3.00 pm at La Rotonde de la Cité Financière, in ABIDJAN-PLATEAU.

COMPANY NOTICE

MORGAN STANLEY SCAC Société d'investissement à Capital Variable 2, boulevard Royal, Luxembourg

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World Stock Markets

WORLD STOCK MARKETS

Table of stock market data for various countries including Austria, Belgium/Luxembourg, Denmark, France, Germany, Italy, Japan, Korea, Netherlands, New Zealand, Norway, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, and the UK. Columns include stock names, prices, and changes.

Table of stock market data for Australia, Canada, Hong Kong, India, Israel, Malaysia, Mexico, New Zealand, Norway, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, and the UK. Columns include stock names, prices, and changes.

Table of stock market data for Canada, listing various Canadian stocks and their performance.

Table of stock market indices for New York, including the Dow Jones Industrial Average and other regional indices.

Table of stock market data for Tokyo, listing active stocks and their prices.

Advertisement for 'Your FT hand delivered in Germany' featuring a subscription offer for 12 issues free and contact information for Karl Capp.

Vertical text on the left margin, including 'DAY MARKET', 'WORD', 'BY FETTER', and 'PUBLIC OF RY COAST'.



NYSE COMPOSITE PRICES

Table of NYSE Composite Prices with columns for High, Low, Open, Close, and various stock symbols.

OVER-THE-COUNTER

Nasdaq national market, 2pm prices March 6

Table of Over-the-Counter prices with columns for High, Low, Open, Close, and various stock symbols.

AMEX COMPOSITE PRICES

Table of AMEX Composite Prices with columns for High, Low, Open, Close, and various stock symbols.

Small text block providing additional market information or commentary.

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FINANCIAL TIMES

AMERICA

Warner active on news of merger

Wall Street

IN THE absence of any economic news, trading on Wall Street was quiet yesterday, with stock prices holding most of their slight gains through the morning session, writes Karen Zager in New York.

At 2 pm the Dow Jones Industrial Average was up 7.14 points to 2,281.43 on moderate volume of just over 100.28m shares. Advancing issues outpaced those declining by 784 to 498 by early afternoon.

The market was unmoved by the release of the purchasing managers report for February which showed a composite index of 53 per cent, virtually unchanged from January's level of 53.2 per cent.

The figures, which indicated a slight slowdown in the rate of US economic growth, did have a firming effect on the bond market. The Treasury's benchmark 30-year long bond was up 1/8 of a point at 97 1/8, a price at which it yielded 9.103 per cent.

EUROPE

Corporate developments fuel gains

A RELAXATION in the upward pressure on interest rates and a burst of corporate news sent most European bourses up strongly yesterday, writes Chris Marking in Frankfurt.

ZURICH was busy again on the back of Friday's developments in the banking sector, rising by almost 2 per cent on the day.

Bearers of Credit Suisse climbed SF225, or 8.2 per cent, to SF2,975 after being marked up to SF2,150 in the pre-market. They were suspended on Friday for news of the bank's share swap and rights issue, but saw healthy gains in the grey market and in London trading.

Turnover at DM3.3bn was slightly down on Friday but an improvement on the levels seen early last week. An easing in three-month money rates, together with further evidence of a buoyant corporate and economic start to the year, helped to fuel share prices.

Japan hit by rare attack of nerves

MARKETS IN PERSPECTIVE

Table with columns: Country, 1 Week, 4 Weeks, 1 Year, Start of '89. Lists countries like Austria, Belgium, Denmark, Finland, France, West Germany, Ireland, Italy, Netherlands, Norway, Spain, Sweden, Switzerland, UK, Australia, Europe, Canada, USA, Mexico, South Africa, and World Index.

By Alison Maitland

JAPAN, which normally shrugs off the anxieties weighing on other world stock markets, succumbed last week to a bout of nerves which left it languishing at the bottom of the performance league.

by currency gains associated with the continued weakness of the pound against other leading currencies. The Asia Pacific region put in a generally dull performance, although Australia recovered some of its battered confidence thanks to overseas buying interest and a batch of corporate results and restructuring news, ending the week 3 per cent better.

SOUTH AFRICA

LATE profit-taking reduced the day's gains after the price of gold had risen to weekend highs, but Johannesburg gold shares still ended firmer.

ASIA PACIFIC

Futures worries take Nikkei lower. Tokyo. FEARS about rising interest rates and the impact of a futures contract settlement due today kept investors cautious and share prices fell in very thin trading, writes Michiko Nakamoto in Tokyo.

ASIA PACIFIC

Futures worries take Nikkei lower. Tokyo. FEARS about rising interest rates and the impact of a futures contract settlement due today kept investors cautious and share prices fell in very thin trading, writes Michiko Nakamoto in Tokyo.

would take swift measures to fight any signs of growing inflation did not help market sentiment. The central bank again expressed concern about price increases caused by the labour shortage and the introduction of a new consumption tax in April, and announced it would allow short-term money market rates to rise.

IFC EMERGING MARKETS INDICES

Table with columns: Market, No. of stocks, January 1989, % Change on Dec 31 '87, January 1989, % Change on Dec 31 '87, January 1989, % Change on Dec 31 '87, January 1989, % Change on Dec 31 '87. Lists regions like Latin America, Asia, Korea, Malaysia, Taiwan, Thailand.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

Table with columns: NATIONAL AND REGIONAL MARKETS, US Dollar Index, Day's Change, Pound Sterling Index, Local Currency Index, Gross Div. Yield, US Dollar Index, Pound Sterling Index, Local Currency Index, 1988/89 High, 1988/89 Low, Year ago (approx). Lists various countries and regions.

STOCKHOLM rose to another all-time high on optimism over Volvo's annual results, due for release today.

The Affarvärlden index rose 7 to 1,099.9 in turnover worth SKr281m. Volvo Free Bs climbed SKr5 to SKr465.

OSLO was taken to a new post-crash high by blue chip and exporting stocks, with the all share index rising 1.07 to 432.38.

BRUSSELS featured the utilities sector, with Ebes rising BFr40 to BFr4,830 and Unereg adding BFr40 to BFr2,710. The cash index pnt on 40.7 to 5,721.36.

PROSPECTS of higher interest rates left Asia Pacific markets little changed yesterday.

AUSTRALIA suffered a lacklustre day, edging higher in quiet trading. The All Ordinaries index ended up 4 at 1,512.9 in volume of 52m shares.

INDONESIA saw the biggest moves, with Amnotts climbing 18 cents to AS\$30 and Pacific Dunlop up 9 cents to AS\$4.69.

HONG KONG gave up early gains as fears of global interest rate rises surfaced, along with worries over possible rights issues. The Hang Seng index added just 2.37 - having been up 35 points - to 3,053.95 on turnover of HK\$1.4bn.

Roundup

PROSPECTS of higher interest rates left Asia Pacific markets little changed yesterday.

AUSTRALIA suffered a lacklustre day, edging higher in quiet trading. The All Ordinaries index ended up 4 at 1,512.9 in volume of 52m shares.

INDONESIA saw the biggest moves, with Amnotts climbing 18 cents to AS\$30 and Pacific Dunlop up 9 cents to AS\$4.69.

Subsidiaries of The Saudi Arabian Oil Company and Texaco Inc.

have formed a joint venture partnership Star Enterprise to refine, distribute, and market petroleum products

Morgan Guaranty assisted in the negotiations and acted as financial advisor to Aramco Services Company and Saudi Refining, Inc., subsidiaries of The Saudi Arabian Oil Company

JPMorgan

JPMorgan

JPMorgan

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